JOURNAL

of the

HOUSE OF REPRESENTATIVES

of the

GENERAL ASSEMBLY

of the

COMMONWEALTH OF KENTUCKY

Regular Session of 1980

Volume I

Held in the State Capitol in the Capital City of Frankfort, at
Frankfort, in the Year of Our Lord 1980, and
in the One Hundred and Eighty-eighth
Year of the Commonwealth

Begun on the Eighth Day of January, 1980, and Adjourned
Sine Die on the Fifteenth Day of April, 1980

Paid from State Funds

FOREWORD

The Constitution requires each house of the General Assembly to keep a Journal of its proceedings. The Journal is intended to assure a public account of legislative activity and constitutes the final official record of action by the General Assembly.

Under the provisions of Section 6.161, 6.162 and 57.151 of the *Kentucky Revised Statutes,* the Legislative Research Commission is responsible for comparing, editing, correcting, and publishing the Journals as approved by each house of the General Assembly. This volume represents the fulfillment of this obligation for the House of Representatives of 1980.

The text of a bill is spread in full when it receives a first reading. The roll call on passage of a bill is indicated upon its receipt of a third reading, or upon concurrence by the originating house in amendments by the second house. Simple and concurrent resolutions are printed on first reading when applicable or when adopted, and joint resolutions are treated as bills. A table of actions on bills and resolutions is appended.

Mrs. Shan Stone Gray, Mrs. Jeanne Wallace and Ms. Sharon G. May prepared the 1980 House Journal. The edited copy and index found in this volume reflect the cooperative efforts of the commission's staff.

VIC HELLARD, JR.
Director

The Capitol
Frankfort, Kentucky
1980

JOURNAL
OF THE
HOUSE OF REPRESENTATIVES
OF THE
COMMONWEALTH OF KENTUCKY

REGULAR SESSION, 1980

TUESDAY, JANUARY 8, 1980

FIRST LEGISLATIVE DAY

At a General Assembly of the Commonwealth of Kentucky, held at the Capitol in the City of Frankfort, and begun on January 8, 1980, the one hundred and eighty-eighth year of the Commonwealth, in accordance with the provisions of the Constitution, Acting Clerk Sara Bell assumed the Chair and called the House to order.

Prayer by Reverend Bob Brown of the Trinity Baptist Church, Lexington.

The Clerk read the following certificate from the Secretary of State:

Office of Secretary of State
Commonwealth of Kentucky
Frankfort 40601

I, Frances Jones Mills, Secretary of State of the Commonwealth of Kentucky, do hereby certify that, according to the records in the Office of the Secretary of State of the Commonwealth of Kentucky, and the best information obtainable, the attached is a true and correct list of the duly elected and qualified members of the House of Representatives of the General Assembly of the Commonwealth of Kentucky.

Given under my hand and seal of office, this 7th day of January, 1980.

s/FRANCES JONES MILLS
Secretary of State
Commonwealth of Kentucky

Members of the House of Representatives

1980 Kentucky General Assembly

1ST DISTRICT Ward "Butch" Burnette (D)
194 Brookwood, Box 348
Fulton, Kentucky 42041

2ND DISTRICT Lloyd Clapp (D)
P.O. Box 85
Wingo, Kentucky 42088

3RD DISTRICT Alice H. "Dolly" McNutt (D)
105 Country Club Lane
Paducah, Kentucky 42001

4TH DISTRICT Joel Ellington (D)
Route 3, Box 199
Old Mayfield Road
Paducah, Kentucky 42001

5TH DISTRICT Freed Curd (D)
1607 Sycamore
Murray, Kentucky 42071

6TH DISTRICT J. R. Gray (D)
Route 3
Benton, Kentucky 42025

7TH DISTRICT David E. Boswell (D)
Route 6, Box 95
Woodland Drive
Owensboro, Kentucky 42301

8TH DISTRICT Ramsey Morris (D)
1907 Russellville Road
Hopkinsville, Kentucky 42240

9TH DISTRICT James E. Bruce (D)
Route 1, 41A South
Hopkinsville, Kentucky 42240

10TH DISTRICT William T. "Bill" Brinkley (D)
311 Lake Street
Madisonville, Kentucky 42431

11TH DISTRICT David H. Thomason (D)
2516 Heather Lane
Henderson, Kentucky 42420

12TH DISTRICT Roy Joe Head (D)
R.R. 2
Providence, Kentucky 42450

13TH DISTRICT Louis Johnson (D)
1511 Kent Place
Owensboro, Kentucky 42301

14TH DISTRICT Donald J. Blandford (D)
Route 1
Philpot, Kentucky 42366

15TH DISTRICT Philip Stone (D)
620 Greenville Avenue
Central City, Kentucky 42330

16TH DISTRICT Lewis Foster (D)
3rd and Stacker, Box 74
Lewisburg, Kentucky 42256

17TH DISTRICT Willard “Woody” Allen (R)
Route 2, Box 123
Morgantown, Kentucky 42261

18TH DISTRICT Mary Ann Tobin (D)
U.S. 60
Irvington, Kentucky 40146

19TH DISTRICT Ronny Layman (R)
Route 4
Leitchfield, Kentucky 42754

20TH DISTRICT Jody Richards (D)
1022 Ridgecrest Drive
Bowling, Green, Kentucky 42101

21ST DISTRICT Buddy H. Adams (D)
Route 3, Box 90
Bowling Green, Kentucky 42101

22ND DISTRICT Richard A. Turner (R)
Route 4
Tompkinsville, Kentucky 42167

23RD DISTRICT Bobby H. Richardson (D)
Route 7, Highway 31-E
Glasgow, Kentucky 42141

24TH DISTRICT Sam B. Thomas (D)
Route 1
Lebanon, Kentucky 40033

25TH DISTRICT Allene A. Craddock (D)
710 Woodland Road
Elizabethtown, Kentucky 42701

26TH DISTRICT Virgil L. Pearman (D)
952 North Woodland Drive
Radcliff, Kentucky 40160

27TH DISTRICT Archie N. Romines, Sr. (D)
13312 Tennis Blvd.
Valley Station, Kentucky 40272

28TH DISTRICT Jim Dunn (D)
5009 Maryman Road
Pleasure Ridge Park, Kentucky 40258

29TH DISTRICT Al Bennett (D)
3518 Blanton Lane
Louisville, Kentucky 40214

30TH DISTRICT Thomas J. Burch (D)
4850 Brenda Drive
Louisville Kentucky 40219

31ST DISTRICT Mark D. O’Brien (D)
36 S. Sheridan Road
Louisville, Kentucky 40220

32ND DISTRICT E. Bruce Blythe (R)
516 Altagate Road
Lousville, Kentucky 40206

33RD DISTRICT	Bob Heleringer (R) 3218 Orchard Manor Circle Louisville, Kentucky 40220
34TH DISTRICT	Gerta Bendl (D) 2403 Newburg Road Louisville, Kentucky 40205
35TH DISTRICT	Carl A. Nett (D) 901 Eastern Parkway Louisville, Kentucky 40217
36TH DISTRICT	Claudia Riner (D) 1143 E. Broadway Louisville, Kentucky 40204
37TH DISTRICT	Paul Clark (D) 4711 S. Second Street Louisville, Kentucky 40214
38TH DISTRICT	Dexter S. Wright (R) 337 Kenwood Hill Road Louisville, Kentucky 40215
39TH DISTRICT	Lawrence Ray Maynard (D) 517 West St. Catherine Louisville, Kentucky 40203
40TH DISTRICT	Jerry Bronger (D) 3500 Robin Drive Louisville, Kentucky 40216
41ST DISTRICT	Mae Street Kidd (D) 2308 West Chestnut Street Louisville, Kentucky 40211
42ND DISTRICT	Aubrey Williams (D) 1310 Rosewell Louisville, Kentucky 40211
43RD DISTRICT	Carl R. Hines, Sr. (D) 635 Southwestern Parkway Louisville, Kentucky 40211
44TH DISTRICT	James Bernard Yates (D) 2305 Thurman Drive Shively, Kentucky 40216
45TH DISTRICT	Dottie Priddy (D) 9001 Whippoorwill Road Louisville, Kentucky 40229
46TH DISTRICT	Harold Haering (R) 7709 Zenith Way Louisville, Kentucky 40219
47TH DISTRICT	Edward L. Holloway (R) 10705 Sunderland Place Middletown, Kentucky 40243
48TH DISTRICT	Louis Guenthner, Jr. (R) 6103 Rhodes Drive Northfield, Kentucky 40222

49TH DISTRICT Frank J. Smith (D)
Box 222 Star Route
Shepherdsville, Kentucky 40165

50TH DISTRICT Kenny Rapier (D)
115 Parkview Drive
Bardstown, Kentucky 40004

51ST DISTRICT Herman W. Rattliff (R)
Route 3, Box 305
Campbellsville, Kentucky 42718

52ND DISTRICT Raymond Overstreet (R)
Riverview Estates
Liberty, Kentucky 42539

53RD DISTRICT Richard Fryman (R)
Route 3, No. 558
Albany, Kentucky 42602

54TH DISTRICT Joe Clarke (D)
420 Boone Trail
Danville, Kentucky 40422

55TH DISTRICT Forest Aggie Sale (D)
520 Beaumont Avenue
Harrodsburg, Kentucky 40330

56TH DISTRICT Joe Barrows (D)
Route 1, McCracken Pike
Versailles, Kentucky 40383

57TH DISTRICT C. M. "Hank" Hancock (D)
514 Murray Street
Frankfort, Kentucky 40601

58TH DISTRICT W. Stephen Wilborn (D)
614 Eighth Street
Shelbyville, Kentucky 40065

59TH DISTRICT Bob Jones (D)
Highway 1694
Crestwood, Kentucky 40014

60TH DISTRICT William K. "Bill" McBee (D)
500 Florence Pike
Burlington, Kentucky 41005

61TH DISTRICT Clay Crupper (D)
Wilorn Street
Dry Ridge, Kentucky 41035

62ND DISTRICT Mark Farrow (D)
RFD 2, Box 69
Stamping Ground, Kentucky 40379

63RD DISTRICT Louis DeFalaise (R)
1127 Cleveland Avenue
Park Hills, Kentucky 41011

64TH DISTRICT Charles O. Petty (D)
686 Ridge Road
Covington, Kentucky 41015

65TH DISTRICT	John J. Isler (D) 1813 Jefferson Avenue Covington, Kentucky 41014
66TH DISTRICT	Barry G. Caldwell (R) 2722 Surfside Drive Villa Hills, Kentucky 41017
67TH DISTRICT	Terry L. Mann (D) 19 Douglas Drive Newport, Kentucky 41071
68TH DISTRICT	William "Bill" Donnermeyer (D) 333 Bonnie Leslie Avenue Bellevue, Kentucky 41073
69TH DISTRICT	Arthur L. Schmidt (R) 134 Winters Lane Cold Springs, Kentucky 41076
70TH DISTRICT	Pete Worthington (D) R.R. No. 1 Ewing, Kentucky 41039
71ST DISTRICT	Woody May (D) Box 37 West Liberty, Kentucky 41472
72ND DISTRICT	Jim LeMaster (D) 256 Swigert Avenue Lexington, Kentucky 40505
73RD DISTRICT	Paul W. Richardson (D) 72 Milwood Winchester, Kentucky 40391
74TH DISTRICT	Adrian K. Arnold (D) Route 3, Aarons Run Road Mount Sterling, Kentucky 40353
75TH DISTRICT	William G. Kenton (D) 137 Bell Court West Lexington, Kentucky 40508
76TH DISTRICT	Jerry Lundergan (D) 1625 Liberty Road Lexington, Kentucky 40505
77TH DISTRICT	David L. Van Horn (D) 1024 Juniper Drive Lexington, Kentucky 40504
78TH DISTRICT	Pat Freibert (R) 659 Tateswood Lexington, Kentucky 40502
79TH DISTRICT	Henry (Hank) Clay List (D) 500 Laketower Drive, No. 59 Lexington, Kentucky 40502
80TH DISTRICT	William Harold DeMarcus (R) Route 2 Stanford, Kentucky 40484

81ST DISTRICT	Harry Moberly, Jr. (D) 232 South Porter Drive Richmond, Kentucky 40475
82ND DISTRICT	Elvin Elmer Patrick (R) 218 South Fifty Street Williamsburg, Kentucky 40769
83RD DISTRICT	Marshall Davenport (R) Eagle's Nest, Route 3 Somerset, Kentucky 42501
84TH DISTRICT	Lloyd McKinney (R) Route 1, Box 305 McKee, Kentucky 40447
85TH DISTRICT	Albert Robinson (R) Route 6, Box 60 London, Kentucky 40741
86TH DISTRICT	Jimmy White (D) 324 N. Main Street Barbourville, Kentucky 40906
87TH DISTRICT	Stephen C. Cawood (D) 344 Tennessee Avenue Pineville, Kentucky 40977
88TH DISTRICT	Roger Noe (D) Garden Street Harlan, Kentucky 40831
89TH DISTRICT	Russell Reynolds (D) Armory Drive Jackson, Kentucky 41339
90TH DISTRICT	Phillip Lewis (R) Box 1049 Hyden, Kentucky 41749
91ST DISTRICT	Hoover Dawahare (D) Hayes Street Whitesburg, Kentucky 41858
92ND DISTRICT	Bill Weinberg (D) Route 80 Emmalena, Kentucky 41740
93RD DISTRICT	N. Clayton Little (D) Route 1, Box 407 Virgie, Kentucky 41572
94TH DISTRICT	Herbert "Herbie" Deskins, Jr. (D) P.O. Box 799 Pikeville, Kentucky 41501
95TH DISTRICT	Gregory D. Stumbo (D) 1110 Cardinal Drive Prestonsburg, Kentucky 41653
96TH DISTRICT	George M. Plummer (R) Route 2 Vanceburg, Kentucky 41179

97TH DISTRICT W. D. "Doc" Blair (R)
1252 Stafford Avenue
Paintsville, Kentucky 41240

98TH DISTRICT Ronald R. Cyrus (D)
1410 Cyrus Court
Flatwoods, Kentucky 41139

99TH DISTRICT Ray O. Brown (D)
Box 345
Sandy Hook, Kentucky 41171

100TH DISTRICT Charles R. Holbrook, III
1734 Dysard Hill
Ashland, Kentucky 41101

The roll was called. All members present.

Representative Bobby Richardson moved that the record show that each member produced Certificates of Election and that such certificates be confirmed. Agreed.

Said representatives produced their Certificates of Election, appeared before the Presiding Officer and were administered their oaths of office by The Honorable John S. Palmore, Chief Justice of the Supreme Court of Kentucky.

Representative Donnermeyer moved the nomination of William G. Kenton as Speaker of the House of Representatives.

Representative Bobby Richardson moved that the nominations cease. Agreed.

Representative Bobby Richardson moved that William G. Kenton be elected Speaker of the House of Representatives by acclamation. Agreed.

Representative William G. Kenton was elected Speaker of the House of Representatives by acclamation. A committee composed of Representatives McNutt, Hines, Isler, and Freibert escorted the Speaker to the Chair.

The oath of office was administered to Speaker Kenton by The Honorable John S. Palmore, Chief Justice of the Supreme Court of Kentucky.

Speaker Kenton assumed the Chair.

Representative Donnermeyer moved the nomination of C. M. "Hank" Hancock as Speaker Pro Tempore of the House of Representatives.

Representative Moberly moved that the nominations cease. Agreed.

Representative Moberly moved that C. M. "Hank" Hancock be elected Speaker Pro Tempore by acclamation. Agreed.

Representative Hancock was elected Speaker Pro Tempore of the House of Representatives by acclamation. The Speaker appointed a committee composed of Representatives Craddock and Rattliff to escort the Speaker Pro Tempore to the podium.

The oath of office was administered to Speaker Pro Tempore Hancock by The Honorable John S. Palmore, Chief Justice of the Supreme Court of Kentucky.

Representative Bobby Richardson moved the nomination of the following House Constitutional Officers:

Chief Clerk — Sara Bell

Assistant Clerk — Evelyn Marston
Enrolling Clerk — Margaret Watts
Sergeant at Arms — Stuart Kelly
Chief Doorkeeper — Pete Slattery
Cloakroom Keeper — Harold Conn
Cloakroom Keeper — Bunny Davis
Janitor — Donald Jones
Page — Dirk Tutterow
Page — Greyson Flood
Page — Mary Catherine Buchanan
Page — Deborah Lee Perry

Representative Moberly moved that the nominations cease. Agreed.

Representative Moberly moved that the House Constitutional Officers be elected by acclamation. Agreed.

The nominees for the House Constitutional Officers were elected by acclamation and the oath of office was administered by The Honorable John S. Palmore, Chief Justice of the Supreme Court of Kentucky.

Representative Donnermeyer announced that the Democratic Party in caucus assembled had elected the following Majority Party House leadership:

Floor Leader — Bobby H. Richardson
Whip — Woody May
Caucus Chairman — William "Bill" Donnermeyer

Representative Rattliff announced that the Republican Party in caucus assembled had elected the following Minority Party House leadership:

Floor Leader — Arthur L. Schmidt
Whip — Willard "Woody" Allen
Caucus Chairman — Herman W. Rattliff

Representative B. Richardson moved that the rules be suspended for introduction of and action upon Resolutions. Agreed.

HR 11, by Representative B. Richardson: A RESOLUTION extending an invitation to the pastors of Frankfort churches to open sessions of the House with prayer.

HR 11, A RESOLUTION extending an invitation to the pastors of Frankfort churches to open sessions of the House with prayer.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the Sergeant-at-Arms be directed to invite the pastors of the various churches of Frankfort to attend the meetings of the House and open the sessions thereof with prayer.

Representative B. Richardson moved the adoption of **HR 11.** Agreed.

HR 10, by Representative B. Richardson: A RESOLUTION authorizing appointment of a committee of the House to wait upon the Senate and the Governor.

HR 10, A RESOLUTION authorizing appointment of a committee of the House to wait upon the Senate and the Governor.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That a committee of this House be appointed by the Speaker to wait upon the Senate and notify that body that this House is now organized and ready to proceed to the transaction of business, and that said committee shall, in conjunction with a like committee from the Senate, wait upon the Governor and inform him that the General Assembly is now organized and ready to receive any communication he may desire to deliver.

Representative B. Richardson moved the adoption of **HR 10.** Agreed.

The following committee was appointed to wait upon the Governor: Representatives Isler, DeMarcus, Smith, McBee, Brown, Kidd, and Tobin.

Recess

Representative B. Richardson moved that the House recess until 6:30 p.m.

On the roll call the vote was 79 yeas, 6 nays.

The motion to recess was adopted.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications

HR 13, by Representative B. Richardson: A RESOLUTION adopting temporary Rules to govern the 1980 House of Representatives.

HR 13, A RESOLUTION adopting temporary Rules to govern the 1980 House of Representatives.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That except as provided in Sections 2 and 3 of this resolution the Rules adopted by the House of Representatives for the Regular Session of 1978 be adopted as the temporary Rules governing the session beginning January 8, 1980, to remain in effect until superseded by the adoption of permanent Rules.

Section 2. That Rule 38 of the Rules of the House of Representatives be amended to read as follows:

Rule 38. Standing Committees. The following shall be the standing committees of the House.

1. Agriculture and **Small Business** [Natural Resources]
2. Appropriations and Revenue
3. Banking and Insurance
4. Business Organizations and Professions
5. Cities
6. Counties and Special Districts
7. Education
8. Elections and Constitutional Amendments
9. Energy
10[9]. Health and Welfare
[10. Highways and Traffic Safety]
11. Judiciary
[11. Judiciary-Statutes
12. Judiciary-Courts]
12[13]. Labor and Industry
13. Natural Resources and Environment
[14. Public Utilities and Transportation]
14[15]. State Government
15. Transportation

Section 3. That Rule 40 of the Rules of the House of Representatives be amended to read as follows:

Rule 40. Jurisdiction of Standing Committees. The Committee on Committees shall refer each bill to the Committee with control over the subject matter. All bills and resolutions on the same subject matter shall be referred to the same committee. The general jurisdiction of the several standing committees shall be:

1. **Agriculture and Small Business:** matters pertaining to crop, livestock, poultry and their marketing, disease control and warehousing; tobacco; stockyards; agricultural cooperatives and marketing associations; agriculture weights and measures; [veterinarians; forestry; mining; fish and wildlife resources; soil and water conservation; flood control and water usage; drainage, and irrigation; geology and water resources; waterways and dams; oil, gas and salt water wells; state and national parks;] the state fair; county fairs*; all matters not specifically assigned to another committee relating to small business concerns which are independently owned and operated, including franchises, but which are not dominant in their field of operation and which do not do an annual gross volume of business in excess of one million dollars*.

2. **Appropriations and Revenue:** matters pertaining to the executive budget and other appropriations of state monies; the levying of state and local taxes, including school taxes; property tax rates and assessments; the state debt; revenue bond projects; veterans bonus; claims upon the treasury; accounting of state funds by local officers; audits for state purposes; budget and financial administration; payment, collection and refund of taxes.

3. **Banking and Insurance:** matters pertaining to banking; banks and trust companies; petty loan companies; building and loan associations; credit unions; investment companies; industrial loan corporations; securities; the blue sky law; mortgage guaranty insurance; assessment and cooperative insurance; fraternal benefit societies; hospital service corporations; burial associations; medical and dental service corporations; life, accident, indemnity and other forms of insurance; stock and mutual insurance companies; banking and insurance aspects of the uniform commercial code; interest and usury; pawnbrokers; private credit; consumer credit; sale of checks; installment sales contracts; legal investments; principal and income.

4. **Business Organizations and Professions:** matters pertaining to professional licensing not assigned specifically to another committee; chambers of commerce; business development corporations; racing; prize fighting and wrestling; places of entertainment; laundry and dry cleaning; alcoholic beverage control; private corporations; cooperative corporations and marketing associations; religious, charitable and educational societies; nonprofit corporations; professional service corporations; cemeteries; barbers and cosmetologists; professional engineers and land surveyors; architects; real estate brokers and salesmen; public accountants; watchmakers; detection of deception examiners; auctioneers; business schools; the business regulation aspects of the uniform commercial code; warehouses and warehousemen; partnerships; trade practices.

5. **Cities:** matters pertaining to the officers, organization, government and financing of city government; special purpose assessment and taxing districts within a city; incorporation and classification of cities; city revenue bond projects; the imposition of duties and costs on cities; city taxes and licenses; city indebtedness; compensation of city officers; metropolitan sewer districts; interlocal government cooperation; housing projects; urban renewal and redevelopment; city streets and sidewalks; sewers; annexation of territory; consolidation of local government services; forms of city government; city civil service; city finances and revenue; public works; police and fire departments and their retirement systems; [municipal utilities and waterworks;] parks and playgrounds; planning and zoning; acquisition of waterworks and water districts by cities; financing of municipal improvements; urban service districts; police court and city attorney; city libraries.

6. **Counties and Special Districts:** matters pertaining to the officers, organization, government and financing of county governments; county imposed taxes and licenses; county and special districts not assigned to another committee; the powers, duties and composition of fiscal court; compensation of county officers and employes; the offices of county judge, magistrates, county attorney, sheriff, constable, county police, jailer, coroner, surveyor, county clerk; county employes civil service and retirement; planning and zoning; interlocal cooperation and consolidation of services; county roads; public road districts; water districts; fire protection districts; [drainage districts and local flood control and water usage;] issuance of bonds for county and special district projects; metropolitan sewer and sanitation districts; local air pollution control districts; county and county law libraries; library districts.

7. **Education:** matters pertaining to public primary, secondary and higher education; the state board of education; the state department of education; the powers and duties of local boards of education; conduct of schools; attendance; state support of education; the operation of school districts, teacher's qualifications and tenure; the school curriculum; teachers' retirement; school employes; pupil transportation; school property and buildings; vocational education and rehabilitation; state universities and colleges; community colleges; municipal universities and colleges; regional education; education of the physically handicapped; educational television.

8. **Elections and Constitutional Amendments:** matters pertaining to the proposing of constitutional amendments and the calling of a constitutional convention; ratification of amendments to the United States Constitution; legislative and congressional districts; the election of officers to state, local and school board positions; election commissioners, officers and precincts; qualifications, registration and purgation of voters; conduct of regular elections; primary elections; presidential and congressional elections; special elections to fill vacancies; contest of elections; corrupt practices and election financing; election offenses and prosecutions; voting machines; absent ballots.

9. Energy: *privately owned public utilities; rates, permits, certification of convenience and necessity; water district rates; utilities in cities; public utility cooperatives; electric and gas utilities and cooperatives; oil and gas transmission companies; telephone companies and cooperatives; municipal utilities and water works; energy and fuel development; energy waste disposal; Utility Regulatory Commission and Energy Regulatory Commission; solar; thermo; nuclear; and gasohol.*

10.[9.] **Health and Welfare:** matters pertaining to health and welfare in cities; fire prevention and protection; support of dependants; probation and parole; garbage and refuse disposal; public assistance; correctional penitentiaries; child welfare; adoptions; mothers aid and assistance to children; children's homes; incompetents; poor persons and poor houses; confederate pensions; aid to needy blind; commitment and care of children; mental health; health, medical and dental scholarships; local health units and officers; vital statistics; communicable diseases; tuberculosis hospitals; hospitals, clinics and personal care homes; foods, drugs and poisons; hotel, restaurants and trailer park regulations; sanitation plants; sanitation districts; frozen food locker plants; alcoholism; [water pollution; air pollution;] physicians, osteopaths and podiatrists; chiropractors; dentist and dental specialists; registered nurses and practical nurses; pharmacists; embalmers and funeral directors; clinical psychologists; optometrists, ophthalmic dispensers; physical therapists.

[**10. Highways and Traffic Safety:** matters pertaining to the construction and maintenance of the state highway system; the bureau of highways; state aid for local roads and streets; the state police; the federal highway safety law; turnpike authority; state and federal highways; limited-access facilities; use of road bond monies; billboards; junkyards; highway beautification; bridges, tunnels and ferries; traffic regulations; vehicle equipment and storage; driver training schools.]

11. Judiciary: *matters pertaining to contracts; debtor-creditor relations; ownership and conveyance of property; administration of trusts and estates of persons under disability; descent, wills and administration of decedents' estates; domestic relations; support of dependents; statutory actions and limitations; eminent domain; arbitration; summary proceedings; declaratory judgments; habeas corpus; witnesses; evidence; legal notices; crimes and punishments; construction of statutes; civil and criminal procedure; civil rights; matters pertaining to the Supreme Court, District Courts, the Court of Appeals, Circuit Courts, County and Probate Courts, Quarterly Courts, Justices of the Peace Courts, and Police Courts; jurisdiction, rules terms, judges, commissioners, selections, districts, qualifications, compensation and retirement; clerk of courts; juries, attorneys; commissioners and receivers; court reporters; and juvenile courts.*

[**11. Judiciary-Statutes:** matters pertaining to contracts; debtor-creditor relations; ownership and conveyance of property; administration of trusts and estates of persons under disability; descent, wills and administration of decedents' estates; domestic relations; support of dependents; statutory actions and limitations; eminent domain; arbitration; summary proceedings; declaratory judgments; habeas corpus; witnesses; evidence; legal notices; crimes and punishments; construction of statutes; civil and criminal procedure; civil rights.

12. Judiciary-Courts: matters pertaining to the Supreme Court, District Courts, the Court of Appeals, Circuit Courts, County and Probate Courts, Quarterly Courts, Justices of the Peace Courts, and Police Courts; jurisdiction, rules, terms, judges, commissioners, selections, districts, qualifications, compensation and retirement; clerk of courts; juries, attorneys; commissioners and receivers; court reporters; juvenile courts; and such other matters relating to Judiciary-Statutes as the Committee on Committees may determine.]

12.[13.] **Labor and Industry:** matters pertaining to commerce not specifically assigned to another committee; industrial financing and development; labor unions; collective bargaining; liquefied petroleum gas and other flammable liquids; hotels, electricians; plumbers and plumbing; wages and hours; garnishments; safety and health of employes; child labor; employment agencies; apprenticeship; unemployment compensation; workmen's compensation; consumer protection; industrial weights and measures.

13. Natural Resources and Environment: *matters pertaining to forestry; mining; fish and wildlife resources; soil and water conservation; flood control and water usage; drainage and irrigation; geology and water resources; waterways and dams; oil, gas and salt water wells; state and national parks; drainage districts and local flood control and water usage; water pollution; air pollution; Department of Natural Resources.*

[**14. Public Utilities and Transportation:** matters pertaining to privately owned public utilities; rates, permits, certification of convenience and necessity; water district rates; utilities in cities; public utility cooperatives; airports and aviation; boats and boating; licensing of motor vehicles, operators and trailers; financial responsibility law; nonresident motorists; motor vehicle sales; railroad rates, service and operating regulations; telephone companies and cooperatives; electric and gas utilities and cooperatives; oil and gas transmission companies; motor carriers.]

14.[15.] **State Government:** matters pertaining to the sovereignty and jurisdiction of the Commonwealth; the general assembly, its committees, officers and service agencies; redistricting; the governor; the lieutenant governor; intergovernmental cooperation; relations with the federal government; administrative organization; administrative regulations; statutory administrative agencies; department of law; secretary of state; state personnel; state retirement systems; military affairs and civil defense; public property and public printing; public officers, their terms, appointments, fees, compensation, removal, oaths and bonds; public information; state and regional planning; the arts; the libraries; archives and records; public corporations; commonwealth attorney; circuit clerk.

15. Transportation: matters relating to airports and aviation; boats and boating; licensing of motor vehicles; operators and trailers; financial responsibility law; nonresident motorists; motor vehicle sales; railroad rates, service and operating regulations; motor carriers; matters pertaining to the construction and maintenance of the state highway system; the Department of Transportation; state aid for local roads and streets; the state police; the Federal Highway safety law; turnpike authority; state and federal highways; limited access facilities; use of road bond monies; bill boards; automobile recyclers; highway beautification; bridges, tunnels and ferries; traffic regulations; vehicle equipment and storage; driver training schools.

Representative B. Richardson moved the adoption of **HR 13.** Agreed.

Representative B. Richardson moved that the rules be suspended for a report of the Committee on Committees. Agreed.

The Clerk read the following committee appointments by the Committee on Committees:

AGRICULTURE AND SMALL BUSINESS

Democrats

Donald J. Blandford, Chairman
Clay Crupper, Vice Chairman
Virgil Pearman, Vice Chairman
Adrian K. Arnold
Joe Barrows
David E. Boswell
Ward Burnette
Freed Curd
Roy Joe Head
Jim LeMaster
Henry Clay List
Harry Moberly, Jr.
H. Ramsey Morris, Jr.

Republicans

Herman Rattliff, Vice Chairman
Richard Fryman
Phillip Lewis
Richard Turner

APPROPRIATIONS AND REVENUE

Democrats

Joe Clarke, Chairman
Ramsey H. Morris, Jr., Vice Chairman
Carl A. Nett, Vice Chairman
Buddy H. Adams
Allene A. Craddock
William Donnermeyer
Lewis Foster
C. M. "Hank" Hancock
Robert A. Jones
Woody May
Roger Noe
Bill Weinberg
Pete Worthington

Republicans

Albert Robinson, Vice Chairman
W. Harold DeMarcus
Edward Holloway
Arthur L. Schmidt

CITIES

Democrats

Henry Clay List, Chairman
Ronald R. Cyrus, Vice Chairman
Alice H. "Dolly" McNutt, Vice Chairman
Gerta Bendl
Thomas J. Burch
Freed Curd
Carl R. Hines
Louis Johnson
Mae Street Kidd
Lawrence Ray Maynard
Carl A. Nett
Kenny Rapier
Jody Richards

Republicans

Charles Holbrook, Vice Chairman
Bruce Blythe
Barry Caldwell
Louis DeFalaise

COUNTIES AND SPECIAL DISTRICTS

Democrats

Adrian K. Arnold, Chairman
Allene A. Craddock, Vice Chairman
Phillip Stone, Vice Chairman
Al Bennett
Lloyd E. Clapp
Clay Crupper
Mark Farrow
Lewis Foster
Jerry Lundergan
Virgil Pearman
Archie N. Romines, Sr.
David H. Thomason
James Bernard Yates

Republicans

Willard Allen, Vice Chairman
W. D. "Doc" Blair
Marshall Davenport
George Plummer

BANKING AND INSURANCE

Democrats

James E. Bruce, Chairman
Paul W. Richardson, Sr., Vice Chairman
Mary Ann Tobin, Vice Chairman
Jerry Bronger
Ward Burnett
Hoover Dawahare
Herbert Deskins, Jr.
Lewis Foster
J. R. Gray
John J. Isler
Mae Street Kidd
Jerry Lundergan
Charles O. Petty

Republicans

Edward Holloway, Vice Chairman
Bruce Blythe
Louis DeFalaise
Charles Holbrook

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Frank J. Smith, Vice Chairman
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James R. Dunn
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Terry L. Mann
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Democrats

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William T. Brinkley, Vice Chairman
Hoover Dawahare, Vice Chairman
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Roy Joe Head
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Forest Aggie Sale
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Jimmy White
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Democrats

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TRANSPORTATION

Democrats

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Roy Joe Head, Vice Chairman
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Hoover Dawahare
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Virgil Pearman
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Gregory Stumbo
David L. Van Horn
W. Stephen Wilborn

Republicans

Harold Haering, Vice Chairman
Ronny Layman
Elmer Patrick
Herman Rattliff

Representative B. Richardson moved that the House stand at ease. Agreed.

The Committee appointed to wait upon the Governor reported that the Governor was ready to address a Joint Session of the General Assembly.

Representative B. Richardson moved that the House resolve itself into a Committee of the Whole to go into Joint Session with the Senate. Agreed.

The Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate, and the members of the Senate entered upon the floor of the House.

The Speaker recognized The Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate, and the members of the Senate.

Joint Session

The Speaker vacated the Chair, whereupon The Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate, assumed the Chair and called the Joint Session to order.

Representative B. Richardson moved that the House and Senate resolve into Joint Session for the purpose of receiving the State of the Commonwealth Address of The Honorable John Y. Brown, Jr., Governor of Kentucky. Agreed.

Representative B. Richardson moved that the Joint Session of the House and Senate dispense with the call of the roll. Agreed.

Prayer by the Reverend Bob Brown, Trinity Baptist Church, Lexington.

The Committee of the House appointed to join with a like committee of the Senate to wait upon the Governor and escort him to the House to address the Joint Session appeared with the Governor.

Lieutenant Governor Martha Layne Collins introduced The Honorable John Y. Brown, Jr., Governor of the Commonwealth of Kentucky.

Governor Brown addressed the Joint Session of the General Assembly as follows:

State of the Commonwealth
John Y. Brown, Jr., Governor
January 8, 1980

Lieutenant Governor Collins
Mr. Speaker
Members of the General Assembly
Fellow Kentuckians

First let me report to the General Assembly that your new Governor likes his job. I find that it is a rather active job — having been elected in November — inaugurated in December — assuming the responsibility for management of 35,000 people — analyzing and recommending, in a 4 month period of time, a $9 billion balanced budget — and review some 1,400 proposed pieces of legislation.

It is like living a career in a four month period, but I am determined that we will be prepared to meet these challenges. In fact, to expedite this work load I am prepared to introduce my proposed legislation to you tonight so we can go ahead and get it approved and get it out of the way while the atmosphere is so warm and friendly and so that we can attend to other things.

Tonight my report to you is both good news and bad news: (You've heard me say it before)

First, if a businessman owned Kentucky and this nation was just beginning he wouldn't trade our state for any other in the union.

First of all, we are privileged to be located right in the heart of America for the convenience of travel and for the convenience of transporting goods from the central most point of the United States, within 500 miles is 68% of the nation's population.

Secondly, we have been endowed with an abundance of natural resources — more than any other state in the union in the production and reserves of coal — a product that will be the solution to our nation's energy needs.

We are blessed with more navigable waterways than any other state in the union. Certainly this can be used not only for our own enjoyment but for the economic transportation of Kentucky products.

We have natural beauty unmatched by any other state, with our beautiful mountains, bluegrass, flatlands, and waterways and special heritage which has allowed Kentucky to be one of the outstanding tourist attractions in the nation.

Perhaps most important, Kentucky has a very special kind of people — family people — honest people — hard working people, who understand the work ethic. Demonstrated by the fact that in recent years Kentucky has been ranked number one in the nation in productivity ranking among all states for products produced, man-hours given and total paid.

I have one question for us to consider tonight — with all of this abundance of resources why has Kentucky always been among the lagging states in education — per capita income — and, in over-all progress?

If we look closely, we will find that throughout much of our history that state government has its priorities out of order. Too often public interest has been sacrificed for special interest and has choked Kentucky's ability to reap the reward of our many natural advantages.

The people of Kentucky have sent me to Frankfort to take a new direction to operate state government in a businesslike manner in their best interest and to start the direction to develop Kentucky's economy.

I join with you tonight with an attitude and philosophy that together we will be statesmen planning the long term needs for our state — willing to sacrifice our personal interest and even political careers to chart the proper course for our state. Often times the best approach is an unpopular approach, but together we must have the strength to answer these challenges.

As Governor Bert Combs once said, "Most governments create laws and monuments and then move on — but the only true judge will be whether we leave any footsteps on the sands of time."

The people elected us to be their leaders and to have vision in serving other needs and providing their future.

I have been impressed in my meetings with the leadership of the General Assembly and with their good intentions to get our state moving ahead and I look forward to working with each of you toward a goal of building this great state of ours.

My first show of good faith as Governor was to encourage legislative independence by not interferring in the selection of your leadership. I did this for two reasons:

First of all, the General Assembly by Constitution is to be the voice of the people of our governing process of checks and balances.

Secondly, as your Governor, I welcome your help, your leadership, your experience and talents and I respect and honor your responsibility to your constituents.

I approach our work together as partners — not adversaries.

The word independence — which was the platform I ran on as a candidate — that you assume as a legislator — perhaps a better word is interdependence in our working relationship because I will constantly be calling on you for advice and counsel and information as I hope you will in working with my administration.

Together, I am satisfied, we can solve every problem of this session on a positive basis.

I can't help but be somewhat amused that word has filtered out in the media that Governor Brown is going to have a hands off policy and not involve himself in the legislative process. If that were true, it wouldn't have been worth the state's expense to pay for my car to come to Frankfort.

On November 6 the people elected me by one of the largest mandates in the history of the state. It is my responsibility and duty to use the power of the Governor's office to honor my commitments and to help implement into law the platform on which I was elected.

Knowing the limited financial resources that we would be facing together, I made every attempt during the campaign not to make political commitments that would affect our state treasury funds.

Instead of being obligated on hundreds of pieces of new or changed legislation that often burdens and regresses the legislative process, I stand before you tonight a free man and I face a free legislature with a challenge together to protect the original concept of government — of, by and for the people.

This is a freedom that we must earn the right to preserve. I am satisfied that with all of your talent, experience, combined with the leadership of my administration, together we can have a most progressive and successful session. I used the word progressive as I am going to challenge the legislature to be willing to accept change, new direction, to join me in making some imaginative, as well as difficult decisions concerning the future of our state.

First of all, the platform on which I presented my candidacy for Governor was basically two fold:

One, that state government should be operated in a business like manner with qualified and committed people in the public's interest.

The operation of state government is no different than the operation of a major business — dealing with people, administration, plans, goals, budgets, and results.

The most important asset of my administration will be people — from cabinet secretaries all the way down.

I have been overwhelmed by the large number of people who have joined — at a great personal sacrifice — this administration because they feel strong about their state — see a chance for a new day and want to be a part of building Kentucky's future.

Likewise, I have been impressed with the large number of committed state employees who just need to be given the opportunity to spread their wings and grow.

First of all, state government has been allowed to grow beyond the means for which it was intended. Imagine — the state budget has multiplied ten times just in the past sixteen years. I ask the question what this has meant to the people of Kentucky?

Have the services of state government, programs of state government, our road system and education programs justified this type of accelerated growth?

It is time to re-evaluate state spending and programs and re-establish our priorities.

We have been spending and expanding too rapidly and now must display sound fiscal management.

At our current level of spending, we would spend more than $56 million more than we take in in revenue this revenue.

Bonded indebtedness grew by some 77% during that same period.

Agency requests for our next biennium budget were $1.3 billion over projected income.

The preliminary figures of a continuation budget — with only a 5% increase — which is too low — for state employees and teachers, gives us an annual $43 million deficit.

Our road fund faces declining revenues and accelerated costs of construction and maintenance. It is critical that we maintain our roads across this state or in time we will lose them.

Add to our own present financial condition, our national problem with the highest inflation interest rates in history, as we slowly move into a national recession.

The budget unquestionably will be the most challenging duty we will have together during the session.

But, I am satisfied that if we establish the proper priorities together, use fiscal restraint and lay the foundation for economic development then we will end up with a legislative program satisfactory to the public as well as ourselves.

I say this for two reasons:

I am positive on Kentucky's future —

Likewise, I am positive on America.

My businesslike approach in state management, as we face declining revenues and a depleted treasury, will be to establish a lean and productive work-force that will give the people of Kentucky their money's worth and the efficient service of state programs at the lowest cost.

It is my administration's goal to eliminate every unnecessary job — to train and motivate our people to full productivity.

This past year state employment increased by 5.2%. Yesterday at my cabinet meeting I asked each cabinet secretary to cut back on employees by a minimum of 5% by June 30 of this year, with a main goal the following year of an additional 5% that will be eliminated by natural, normal attrition.

Together we have re-scheduled separate pay levels for commissioners and agency heads, based on the responsibility of the office. I foster the idea of creating an environment of career employees with pay scales that are competitive with the commercial world — far too long it has been an attitude of state government that government can pay for it — get all you can get — while I want all state employees to have the best opportunity — more importantly I want them to earn it.

It is illogical to have the same pay scale for someone who manages a thousand people versus someone who supervises 30. This cut-back will save in excess of one half million dollars alone.

Following this philosophy, I have asked each secretary to evaluate all salaries at the present time in relationship to the responsibility and qualifications. In essence, I have asked every cabinet member to run their department as if it were their own money.

In the Governor's office we tried to set an example by cutting our cost 23% over the prior year.

There will be many other areas of savings and cutbacks — personal service contracts will be eliminated in every instance where the same work can be done effectively in house.

Duplication will be eliminated in every area. Because of the size of state government this will not be an easy task, but I am confident that with the management team that has joined me that they will make significant strides in bringing state government into a workable, efficient basis of operation.

I am pleased with the attitude and commitment of state government as we approach the next four years. Now that we have reviewed the problems of government, let's talk about our opportunities:

Specifically, the cornerstone of my platform for Governor — **Economic Development**.

Whether we like it or not, we live in a commercial and competitive world. In America every day we are competing with 49 other states and for that matter with the world in the sale of Kentucky products — whether they be farm, coal or manufacturing — we are competing for the tourist dollar — we are competing for the investment and new business dollar.

I have always felt, as I do now, that the most important responsibility of state government is to provide opportunity for its citizens. There is absolutely no reason that Kentucky should not compete successfully with other states in building our economy. I have said I want to be the salesman for Kentucky in the market place — I need your help.

It is necessary that you give me the tools to work with and I will be bringing a package of necessary legislation during this session.

I think our greatest problem in the past is that our priorities have been confused. Kentucky has spent more money on cutting weeds and grass on our highways than they have on economic development.

For instance, Georgia expends 5 to 1 per capita in this area.

I will ask for an expanded budget in economic development necessary to compete successfully.

There is no reason at this time why we should not create the most attractive and competitive lure to bring commerce and investment throughout our state — to provide better jobs and a stronger tax base to support our vital programs. Whatever our surrounding states provide, we should be more attractive in competing.

It would be a total lack of vision not to work progressively in promoting and expanding our three major industries of agriculture, coal and tourism.

Tourism and coal provide our greatest opportunity for growth to solve our present financial concern.

Every dollar spent by state government — whether it be for promotion or bonded indebtedness — should be directed toward giving Kentucky the best possible return on its investment.

In my travels through the state, I found our small and large cities have changed little over the past 25 years. We cannot be content to sit still because we must grow, otherwise we regress.

The thrust of federal programs and the trends in our nation — because of the energy crisis and cost of travel — will be toward urban development.

Innumerable financial incentives by the federal government will be available to encourage urban development.

Close to one-half of Kentucky's population sits on the waterways and I am confident the opportunity for growth and prosperity in so many of our river communities from Paducah to Ashland — Northern Kentucky — etc., etc.....

My administration will make every effort to encourage expansion of Kentucky business and promotion of its products, recognizing that expanded businesses that can go to double shifts instead of single offer twice as much employment and twice as much tax base.

I believe that Kentucky is at the threshold of great economic development and this direction and course in state government will be able to provide the key indicators of progress — per capita income for our citizens and a leading educational program.

This is a lofty goal and cannot be done over night, but let us begin.

Time does not permit all of the proposals of legislation my administration will submit for your consideration, but I would like to present to you those proposals on which I based my campaign and on which the people of Kentucky gave strong evidence of support.

Later I will have a number of other pieces of legislation that will require funding, but I will wait until such time as I feel they can fit in our budget on a priority basis.

They deal with equity, fairness, and methods of communication and do not involve themselves as cost programs for the state.

The proposals I bring to you tonight are not programs that cost money, but rather changes for the future that are responsible, progressive, sound and competitive for our state's future. In fact, most of these proposals are similar concepts that have been used effectively in many of our progressive states.

First, **Workmen's Compensation:**

This is an issue where both management and labor should be together, because both of their interests are equally at stake. Our present plan is 12th in cost and 42nd in benefits. It will take "give and take" on both sides, to allow Kentucky to be competitive with other states' costs and benefits.

Second, **Income Tax Revision** — small business

A revision of our state income tax with a goal toward giving relief to low and middle income taxpayers, while attempting to simplify and more closely follow our federal tax program.

While much relief can economically be given, at the same time we must be conscious of our competitive position with our states as it relates to the tax schedule on higher incomes.

Otherwise, it will be difficult to attract more business to Kentucky as well as create an environment that could drive out much of what we have.

Our tax structure is the 5th most regressive tax in the nation and has been changed only once in 39 years. We must create a tax schedule that is fair and equitable to all taxpayers.

Third, **Home Rule**

In each of the past two regular sessions, you have authorized the expenditure of funds to study the codification of municipal law. The study concluded among other things that self rule should be granted cities. I agree with the recommendation and urge you to consider passage. If self rule is good for state government, for Kentucky's counties, indeed, for the General Assembly, it follows that cities should be granted the same opportunity to look after their own affairs.

Fourth, **Professional Negotiations**

Fifth, **Campaign Finance Reform**

Sixth, **Consolidation and Control over the State's Bonding Authorities.**

Now I would like to discuss philosophically with you my position on the state's indebtedness. Bonded indebtedness is the only tool we have to build our road system, improve and expand our park system, and in some instances to provide for urban commercial development. The question is do we go ahead now and build the foundation or our future or do we wait until lightning strikes and let competition out-compete us?

Cost of bonds today are approximately 7 ½%, while inflation rages at 13% — interest rates at 15% — new construction costs increase from 18% to 23% annually. I am in favor of making those investments now instead of later, where it can be clearly demonstrated as a sound commercial investment.

Without a competitive road system we will never be able to compete effectively in the marketplace whether it be agriculture, tourism, or coal, as well as commerce from our small and large cities.

Our state park system needs substantial up-grading and development and should be comparatively easy to witness an accurate return on investment. These are one-time investments that can carry us into the next decade, but will be vehicles to build our revenue base. Philosophy — invest now — pay later when we can afford it — because Kentucky industries are sound for the future.

The package of development tools which I will present to you will be totally scaled in the framework of being in competition with our surrounding states.

There will be no political roads or monuments built during the Brown administration. I think it is timely that we get on with the business of building Kentucky and if we hesitate or wait we may well lose our opportunity. We should show fiscal wisdom — not fiscal fear.

While there has been justified alarm at our growing bonded indebtedness, a close examination will show that Kentucky has one of the highest bond ratings of any of the states in the nation. Secondly, the state's present annual debt service requirements compared to the state's projected revenue will be only 7% in 1980. If you eliminate those bonded programs all of which are self-supporting and guaranteed by the federal government, that figure is reduced down to 5.5% A safe rule of thumb in the financial community for a state's sound financial planning would allow the ratio of debt service to revenues to be approximately 0%. Some states are as high as 18%.

I will be recommending a proposal on financial bonded indebtedness for your consideration. We cannot afford to play defense — we must start playing offense, because our opportunities are clear and will only be realized if we are willing to make the investment for the future.

But, I only ask that you spend your time and your energies and your teamwork on the critical issues of our time and save the monument makers for some other administration. Just remember, keep in mind that every bill you pass will be law for many years in the future and ask yourself is it really necessary.

I can only promise you one thing that however it is structured and whatever restraints or controls that may be necessary — that every investment will be committed with two considerations — one — return on investment — is it fair to the taxpayers according to location and geography.

Now, as I prepare to close and let you go about your business, it concerns me that you all will be proposing in this session some 1400 bills. I probably would feel better about it if you were proposing to eliminate 1400 bills.

Perhaps you should follow the story that in ancient Athens an Athenian who proposed legislation stood on a platform with a noose around his neck. If the legislation passed, the noose was removed. If the legislation failed, the platform was removed. All of us should keep the moral of this tale in mind.

The time has come for Kentucky to lay the golden egg to provide an economic future for all Kentuckians, to not only be better than the past, but among the leading states in this country.

Success is made through people and plans — especially when the opportunity is so apparent.

I have no interest in being Governor and accepting the status quo. No problem is too great that cannot be overcome. We have a very simple goal together and that is to make Kentucky great. You have your responsibility as do I have mine. You can't do it without me — I can't do it without you. I extend to you the best intentions and energies of my administration to make this session the most successful ever.

Representative B. Richardson moved that the Joint Session of the House and Senate be dissolved. Agreed.

The Speaker resumed the Chair.

Announcements

Representative Donnermeyer announced a majority caucus meeting at 11:00 a.m., January 9, 1980, in the State Reception Room and also a meeting of the Committee Chairmen at 10:00 a.m. in Room 311.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Reference of Bills and Resolutions. Agreed.

Introduction of Bills and Resolutions

HB 1, by Representative Patrick: AN ACT proposing to amend the Kentucky Constitution relating to initiative and referendum.

HB 2, by Representatives Smith and Noe: AN ACT relating to volunteer firemen.

HB 3, by Representative McNutt: AN ACT relating to statutes.

HB 4, by Representative Yates: AN ACT proposing an amendment to Section 170 of the Constitution of Kentucky relating to property exempt from taxation.

HB 5, by Representative Noe: AN ACT relating to public utilities.

HB 6, by Representative Little: AN ACT relating to public utility rate.

HB 7, by Representative Romines: AN ACT relating to revenue and taxation.

HB 8, by Representative Johnson: AN ACT relating to cities.

HB 9, by Representative List: AN ACT relating to tax on foreign life insurance company premiums.

HB 10, by Representative Johnson: AN ACT relating to cities.

HB 11, by Representative Haering, with a recommendation for passage by the Interim Joint Committee on Agriculture and Natural Resources: AN ACT relating to hunting and fishing.

HB 12, by Representative Adams, with a recommendation for passage by the Interim Joint Committee on State Government: AN ACT relating to administrative regulation review.

HB 13, by Representative Adams, with a recommendation for passage by the Interim Joint Committee on State Government: AN ACT relating to personal service contract review.

HB 14, by Representative Cyrus, with a recommendation for passage by the Interim Joint Committee on Elections and Constitutional Amendments: AN ACT proposing an amendment to the Kentucky Constitution relating to terms of elected officials.

HB 15, by Representative Yates, with a recommendation for passage by the Interim Joint Committee on Business Organizations and Professions: AN ACT relating to boxing and wrestling.

HB 16, by Representative Romines: AN ACT relating to community action corporations.

HB 17, by Representative Weinberg: AN ACT relating to retirement benefits for trial commissioners.

HB 18, by Representative Romines: AN ACT relating to organization dues of public employes.

HB 19, by Representatives Holbrook and Wright, with a recommendation for passage by the Interim Joint Committee on Judiciary-Statutes: AN ACT relating to bail.

HB 20, by Representatives Priddy, Romines, and Robinson: AN ACT relating to local government.

HB 21, by Representative Bruce, with a recommendation for passage by the Interim Joint Committee on Banking and Insurance: AN ACT relating to insurance.

HB 22, by Representative Romines: AN ACT relating to motor vehicle registration.

HB 23, by Representative Holbrook, with a recommendation for passage by the Interim Joint Committee on Highways and Traffic Safety: AN ACT relating to the licensing of motor vehicles.

HB 24, by Representative Williams: AN ACT relating to voter registration.

HB 25, by Representative Romines: AN ACT relating to annexation.

HB 26, for the Interim Joint Committee on Elections and Constitutional Amendments with a recommendation for passage, by Representative Dunn: AN ACT relating to elections.

HB 27, for the Interim Joint Committee on Elections and Constitutional Amendments with a recommendation for passage, by Representative Dunn: AN ACT relating to election precincts.

HB 28, by Representative Noe, with a recommendation for passage by the Interim Joint Committee on Appropriations and Revenue: AN ACT relating to the sales and use tax.

HB 29, by Representative List, with a recommendation for passage by the Interim Joint Committee on State Government: AN ACT relating to the conformation of appointments.

HB 30, by Representative Little: AN ACT relating to automobile insurance.

HB 31, by Representative Little, with a recommendation for passage by the Interim Joint Committee on Appropriations and Revenue: AN ACT relating to the motor vehicle usage tax.

HB 32, by Representative Yates, with a recommendation for passage by the Interim Joint Committee on Education: AN ACT relating to education.

HB 33, by Representative Bendl, with a recommendation for passage by the Interim Joint Committee on Health and Welfare: AN ACT relating to marriage license fees.

HB 34, by Representative Bendl: AN ACT relating to tax credits.

HB 35, by Representative Bendl, with a recommendation for passage by the Interim Joint Committee on Highways and Traffic Safety: AN ACT relating to motor vehicles.

HB 36, by Representative Smith: AN ACT relating to civil liability for emergency care.

HB 37, by Representative P. Richardson: AN ACT relating to prayer in the schools.

HB 38, by Representative Romines, with a recommendation for passage by the Interim Joint Committee on Highways and Traffic Safety: AN ACT relating to parking privileges for handicapped persons.

HB 39, by Representative Romines: AN ACT relating to police radios.

HB 40, by Representative Little: AN ACT relating to public schools.

HB 41, by Representative Little: AN ACT relating to homeowners' insurance.

HB 42, by Representative Holbrook: AN ACT relating to divorce.

HB 43, by Representatives Holbrook, Wright and Allen: AN ACT relating to pretrial release.

HB 44, by Representative Mann: AN ACT relating to pension systems.

HB 45, by Representative Bendl: AN ACT relating to the prevention and treatment of domestic violence and making an appropriation therefor.

HB 46, by Representative Little: AN ACT relating to highways.

HB 47, by Representative Romines: AN ACT relating to road construction and reconstruction.

HB 48, for the Interim Joint Committee on Education with a recommendation for passage, by Representative Wilborn: AN ACT relating to education.

HB 49, by Representative Holbrook, with a recommendation for passage by the Interim Joint Committee on Appropriations and Revenue: AN ACT proposing to amend the Kentucky Constitution relating to the levy of taxes by cities, counties, and school districts.

HB 50, by Representative Craddock: AN ACT relating to police radios.

HB 51, by Representative Wilborn: AN ACT relating to student fees.

HB 52, by Representative Little: AN ACT relating to local government.

HB 53, for the Interim Joint Committee on Health and Welfare with a recommendation for passage, by Representatives Priddy, Haering, Bendl, and Riner: AN ACT relating to substances harmful to human health.

HB 54, by Representative Weinberg: AN ACT relating to solar energy, and making an appropriation therefor.

HB 55, by Representative Priddy: AN ACT relating to the law enforcement foundation program fund.

HB 56, by Representative Priddy: AN ACT relating to procedures for hearing complaints against police officers.

HB 57, by Representative Priddy: AN ACT relating to nonelective peace officers.

HB 58, by Representative Yates: AN ACT relating to tax on foreign life insurance company premiums.

HB 59, by Representative Holbrook: AN ACT relating to pensions.

HB 60, by Representative Kidd: AN ACT relating to Kentucky housing corporation.

HB 61, by Representative Holbrook: AN ACT relating to public advocates.

HB 62, by Representative Kidd: AN ACT relating to the Kentucky housing corporation.

HB 63, by Representative Cyrus: AN ACT relating to the national guard.

HB 64, by Representatives Holbrook and Allen: AN ACT relating to controlled substances.

HB 65, by Representative Bendl: AN ACT relating to administrative regulations.

HB 66, by Representative Robinson: AN ACT relating to traffic offenses.

HB 67, by Representative Robinson: AN ACT relating to local government.

HB 68, by Representatives Robinson and White: AN ACT relating to circuit courts and making an appropriation therefor.

HB 69, by Representatives Robinson and Patrick: AN ACT relating to district courts and making an appropriation therefor.

HB 70, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representatives Clarke and Adams: AN ACT relating to budget and financial administration.

HB 71, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representatives Clarke and Adams: AN ACT relating to budget and financial administration.

HB 72, by Representative Robinson: AN ACT relating to district courts and making an appropriation therefor.

HB 73, by Representative Brinkley: AN ACT relating to the ownership of real property.

HB 74, by Representatives Dawahare and Sale: AN ACT relating to payment of a bonus to certain veterans who served during the Viet Nam conflict and certain persons deriving from them, providing for funding thereof, and appropriating funds for administration.

HB 75, by Representative Brinkley: AN ACT relating to taxation of alcohol production facilities.

HB 76, by Representative DeMarcus: AN ACT relating to voting.

HB 78, by Representative List: AN ACT relating to adoption.

HB 79, for the Interim Joint Committee on Cities with a recommendation for passage, by Representative List: AN ACT relating to pensions.

HB 80, for the Interim Joint Committee on Cities with a recommendation for passage, by Representative List: AN ACT relating to local government.

HB 81, for the Interim Joint Committee on Cities with a recommendation for passage, by Representative List: AN ACT relating to state and local fiscal coordination.

HB 82, for the Interim Joint Committee on Cities with a recommendation for passage, by Representative List: AN ACT relating to the Board of Housing, Buildings and Construction.

HB 83, for the Interim Joint Committee on Cities with a recommendation for passage, by Representative List: AN ACT relating to local government.

HB 84, for the Interim Joint Committee on Judiciary-Statutes with a recommendation for passage, by Representative LeMaster: AN ACT relating to statutes.

HB 85, for the Interim Joint Committee on Judiciary-Statutes with a recommendation for passage, by Representative LeMaster: AN ACT relating to kidnapping.

HB 86, for the Interim Joint Committee on Judiciary-Statutes with a recommendation for passage, by Representatives Bendl and LeMaster: AN ACT relating to domestic abuse.

HB 87, for the Interim Joint Committee on Judiciary-Statutes with a recommendation for passage, by Representatives Bendl and LeMaster: AN ACT relating to domestic relations.

HB 88, for the Interim Joint Committee on Judiciary-Statutes with a recommendation for passage, by Representative LeMaster: AN ACT relating to crimes and punishments.

HB 89, for the Interim Joint Committee on Judiciary-Statutes with a recommendation for passage, by Representatives LeMaster and DeFalaise: AN ACT relating to crimes and punishments.

HB 90, by Representative Donnermeyer: AN ACT relating to abortion.

HB 91, by Representative Donnermeyer, with a recommendation for passage by the interim Joint Committee on Health and Welfare: AN ACT relating to aged persons and making an appropriation therefor.

HB 92, by Representative LeMaster: AN ACT relating to child custody.

HB 93, by Representative Hancock, with a recommendation for passage by the Interim Joint Committee on Appropriations and Revenue: AN ACT relating to revenue and taxation.

HB 94, by Representative Holbrook, with a recommendation for passage by the Interim Joint Committee on Judiciary-Statutes: AN ACT relating to real property.

HB 95, by Representative Schmidt, with a recommendation for passage by the Interim Joint Committee on State Government: AN ACT relating to the state fair board.

HB 96, by Representatives Rattliff and Haering: AN ACT relating to taxation.

HB 97, by Representative Kidd: AN ACT relating to substances harmful to human health.

HB 98, for the Special Advisory Committee on Nuclear Waste Disposal with a recommendation for passage, by Representative Worthington: AN ACT relating to radioactive waste.

HB 99, by Representative Romines: AN ACT relating to motor vehicle titles and making an appropriation therefor.

HB 100, by Representative Romines: AN ACT relating to the Kentucky commission on human rights.

HB 101, by Representative Foster: AN ACT relating to teacher retirement benefits.

HB 102, by Representatives Jones, List, DeMarcus and Blythe, with a recommendation for passage by the Personal Service Contract Review Subcommittee: AN ACT relating to personal service contracts.

HB 103, by Representative Foster: AN ACT relating to motor vehicle driving records.

HB 104, by Representatives Foster and Kidd, with a recommendation for passage by the Interim Joint Committee on Banking and Insurance: AN ACT relating to automobile insurance.

HB 105, by Representatives Foster and Stone, with a recommendation for passage by the Interim Joint Committee on Agriculture and Natural Resources: AN ACT relating to the registration of agricultural land and mineral rights.

HB 106, by Representative Foster, with a recommendation for passage by the Interim Joint Committee on Banking and Insurance: AN ACT relating to fire prevention and protection.

HB 107, by Representative Foster; AN ACT relating to special districts.

HB 108, by Representative Guenthner: AN ACT relating to activities, state agencies and institutions in competition with private enterprise.

HB 109, by Representative Isler: AN ACT proposing an amendment to Section 170 to the Constitution of Kentucky relating to property exempt from taxation.

HB 110, by Representative Farrow: AN ACT relating to cities of the sixth class.

HB 111, for the Interim Joint Committee on Counties and Special Districts with a recommendation for passage, by Representatives Arnold and Weinberg: AN ACT relating to special districts.

HB 112, by Representative O'Brien: AN ACT relating to hazardous waste.

HB 113, by Representative O'Brien: AN ACT relating to the transportation of radioactive materials.

HB 114, by Representative O'Brien: AN ACT relating to radiation.

HB 115, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representatives Clarke and O'Brien: AN ACT relating to revenue and taxation.

HB 116, by Representative O'Brien, with a recommendation for passage by the Interim Joint Committee on Appropriations and Revenue: AN ACT relating to revenue and taxation.

HB 117, by Representatives Arnold and Foster, with a recommendation for passage by the Interim Joint Committee on Appropriations and Revenue: AN ACT relating to sheriffs' expenses.

HB 118, by Representative Noe: AN ACT relating to higher education.

HB 119, by Representative Arnold: AN ACT relating to historic farmland.

HB 120, by Representative Romines: AN ACT relating to motor vehicle registration.

HB 121, by Representative Worthington: AN ACT relating to industrial development.

HB 122, by Representative Thomason: AN ACT relating to automobile liability insurance.

HB 123, by Representative Thomason: AN ACT relating to administrative regulations.

HB 124, by Representative DeMarcus: AN ACT relating to Commonwealth's attorneys and county attorneys.

HB 125, by Representatives Wright, Haering, McNutt and Johnson: AN ACT relating to abortions.

HB 126, by Representative Rattliff: AN ACT relating to controlled substances.

HB 127, by Representatives Bendl, Priddy, P. Richardson, Sale, McNutt and Brinkley, with a recommendation for passage by the Interim Joint Committee on Health and Welfare: AN ACT relating to testing and immunization.

HB 128, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representative Clarke: AN ACT relating to revenue and taxation.

HB 129, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representative Clarke: AN ACT relating to revenue and taxation.

HB 130, for the Interim Joint Committee on Business Organizations and Professions with a recommendation for passage, by Representatives Boswell, Smith, Isler and Petty: AN ACT relating to the small claims division of the district courts.

HB 131, for the Interim Joint Committee on Business Organizations and Professions with a recommendation for passage, by Representatives Boswell, Johnson and Smith: AN ACT relating to consumer protection.

HB 132, for the Interim Joint Committee on Business Organizations and Professions with a recommendation for passage, by Representatives Boswell, DeMarcus and Smith: AN ACT relating to district courts.

HB 133, by Representative Kidd: AN ACT relating to compensation of state employes.

HB 134, for the Interim Joint Committee on Counties and Special Districts with a recommendation for passage, by Representatives Bennett and Davenport: AN ACT relating to county government.

HB 135, for the Interim Joint Committee on Counties and Special Districts with a recommendation for passage, by Representatives, Davenport and Bennett: AN ACT relating to counties.

HB 136, for the Interim Joint Committee on Education with a recommendation for passage, by Representative Weinberg: AN ACT relating to higher education.

HB 137, for the Interim Joint Committee on Education with a recommendation for passage, by Representatives Weinberg, White, Hines, Worthington, Little, and Richards: AN ACT relating to education and making an appropriation therefor.

HB 138, for the Interim Joint Committee on Education with a recommendation for passage, by Representatives Wilborn and Richards: AN ACT relating to education.

HB 139, for the Interim Joint Committee on Education with a recommendation for passage, by Representatives Weinberg, White, Little, Worthington, and Richards: AN ACT relating to higher education and making an appropriation therefor.

HB 140, for the Interim Joint Committee on Elections and Constitutional Amendments with a recommendation for passage, by Representatives Dunn, P. Richardson, and Davenport: AN ACT relating to absentee ballots.

HB 141, for the Interim Joint Committee on Health and Welfare with a recommendation for passage, by Representatives Priddy, Haering, Brinkley, and Riner: AN ACT relating to controlled substances.

HB 142, for the Interim Joint Committee on Highways and Traffic Safety with a recommendation for passage, by Representatives Morris, Hancock and Sale: AN ACT relating to state personnel.

HB 143, for the Interim Joint Committee on State Government with a recommendation for passage, by Representative Weinberg: AN ACT relating to the absence of officers from the Commonwealth.

HB 144, for the Interim Joint Committee on State Government with a recommendation for passage, by Representative Weinberg: AN ACT relating to state government.

HB 145, for the Interim Joint Committee on State Government with a recommendation for passage, by Representative Weinberg: AN ACT relating to the determination of the governor's inability to discharge the duties of his office.

HB 146, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representatives Craddock and Arnold: AN ACT relating to property taxation.

HB 147, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representatives Clarke and Adams: AN ACT relating to legislative approval of certain state fiscal obligations.

HB 148, for the Interim Joint Committee on Highways and Traffic Safety with a recommendation for passage, by Representatives Crupper and Little: AN ACT relating to purchasing.

HB 149, for the Interim Joint Committee on State Government with a recommendation for passage, by Representatives Noe and O'Brien: AN ACT relating to motor vehicles.

HB 150, for the Interim Joint Committee on Education with a recommendation for passage, by Representatives Weinberg, Little and Richards: AN ACT relating to residency positions for medical school graduates in primary care disciplines.

HB 151, for the Interim Joint Committee on Education with a recommendation for passage, by Representative Richards: AN ACT relating to education.

HB 152, for the Interim Joint Committee on Education with a recommendation for passage, by Representatives Richards and Hines: AN ACT relating to the teachers' retirement system.

HB 153, by Representatives Rattliff, Holbrook, Layman, and Plummer: AN ACT relating to bankruptcy proceedings.

HB 154, by Representative Thomas: AN ACT relating to motor fuel taxes.

HR 1, by Representative Clapp: A RESOLUTION requesting and petitioning Congress to amend the United States Constitution to prohibit federal legislation providing federal monies to state governments contingent upon state policy complying with federal policy.

HJR 2, by Representative Romines: A JOINT RESOLUTION designating a voluntary holiday to protest court ordered busing.

HJR 3, for the Interim Joint Committee on Education with a recommendation for passage, by Representative Mann: A JOINT RESOLUTION directing the Department of Education to develop and implement a pilot program to determine the actual cost per pupil of programs funded through the Foundation Program.

HCR 4, by Representative Worthington: A CONCURRENT RESOLUTION directing the formation of a long term plan for stabilization and decommissioning of a nuclear waste disposal site and providing for legislative oversight.

HJR 5, for the Interim Joint Committee on Education with a recommendation for passage, by Representative Mann: A JOINT RESOLUTION directing the Legislative Research Commission to establish a special committee to study alternative taxes to replace the property tax as the major source of revenue for local school districts.

HCR 6, by Representative Worthington: A CONCURRENT RESOLUTION establishing an oversight committee to develop a regional transportation plan for the Appalachian counties of Kentucky and making an appropriation therefor.

HCR 7, by Representatives Patrick, Riner, and Rattliff: A CONCURRENT RESOLUTION requesting and petitioning the Congress of the United States for the purpose of requesting appropriate action by the Congress, either acting by consent of two-thirds of both Houses or, upon the application of the legislatures of two-thirds of the several states, calling a constitutional convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year.

HJR 8, by Representatives Noe, Cawood, Smith, Head, and Stone: A JOINT RESOLUTION requiring that Kentucky industries convert to coal wherever possible, that state facilities use coal, and that the state test innovative boiler designs in state-owned facilities.

HCR 9, by Representatives Noe, Cawood, Barrows, Smith, Head, and Stone: A CONCURRENT RESOLUTION urging the United States Congress to move forcefully to insure utilities and manufacturing plants not using coal convert as soon as possible.

HR 12, by Representative Lundergan: A RESOLUTION in memory of John B. Breckinridge.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 105.**

Appropriations and Revenue: **HB 7, HB 9, HB 28, HB 31, HB 34, HB 58, HB 70, HB 71, HB 75, HB 93, HB 96, HB 115, HB 116, HB 117, HB 128, HB 129.**

Banking and Insurance: **HB 21, HB 30, HB 41, HB 60, HB 62, HB 104, HB 106, HB 122.**

Business Organizations and Professions: **HB 15, HB 16, HB 131.**

Cities: **HB 8, HB 10, HB 20, HB 25, HB 44, HB 67, HB 79, HB 80, HB 81, HB 82, HB 83, HB 110, HB 55.**

Counties and Special Districts: **HB 52, HB 59, HB 107, HB 111, HB 134, HB 135.**

Education: **HB 32, HB 37, HB 40, HB 48, HB 51, HB 101, HB 118, HB 136, HB 137, HB 138, HB 139, HR 3, HR 5.**

Elections and Constitutional Amendments: **HB 1, HB 3, HB 4, HB 14, HB 24, HB 26, HB 27, HB 49, HB 76, HB 109, HB 140, HR 1, HR 7.**

Energy: **HB 98, HB 112, HB 54, HB 5, HB 6, HR 4.**

Health and Welfare: **HB 33, HB 45, HB 53, HB 78, HB 90, HB 91, HB 114, HB 125, HB 127, HB 141.**

Judiciary: **HB 17, HB 61, HB 68, HB 69, HB 72, HB 130, HB 132, HB 19, HB 36, HB 39, HB 42, HB 43, HB 50, HB 64, HB 66, HB 73, HB 84, HB 85, HB 86, HB 87, HB 88, HB 89, HB 92, HB 94, HB 97, HB 126, HB 56.**

Labor and Industry: **HB 100, HB 121.**

Natural Resources and Environment: **HB 11, HB 113.**

State Government: **HB 12, HB 13, HB 18, HB 29, HB 57, HB 63, HB 65, HB 74, HB 95, HB 108, HB 119, HB 123, HB 124, HB 133, HB 143, HB 144, HB 145, HR 2.**

Transportation: **HB 23, HB 35, HB 38, HB 46, HB 47, HB 142, HB 2, HB 22, HB 99, HB 103, HB 120, HR 6.**

Representative B. Richardson moved that the rules by suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative B. Richardson moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Stone, **HB 2**; Representative Romines, **HB 66.**

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., January 9, 1980.

On the roll call the vote was yeas 54-Adams, Arnold, Barrows, Bennett, Blythe, Caldwell, Cawood, Clarke, Craddock, Curd, Cyrus, DeFalaise, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Head, Hines, Isler, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, McBee, McKinney, Moberly, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Richards, B. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Tobin, Turner, Van Horn, Wilborn, Worthington. Nays 2-Holbrook, P. Richardson.

The motion to adjourn was adopted.

WEDNESDAY, JANUARY 9, 1980

SECOND LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayers by Reverend Dennis W. Jones, First Presbyterian Church, Frankfort.

The roll was called. All present except Representatives Lewis and Reynolds.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 8, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 155, by Representative LeMaster: AN Act relating to physical therapy.

HB 156, by Representative Patrick, Stone, and DeMarcus: AN ACT relating to hunting.

HB 157, by Representative Burch: AN ACT relating to crimes and punishments.

HB 158, by Representative Burch and Yates: AN ACT relating to anatomical gifts.

HR 14, by Representative Yates, Burch, Blandford, Bronger, Boswell, McBee, and Dunn: A RESOLUTION relating to the practice of pledging allegiance to the United States flag each day in the House of Representatives.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 146, HB 147.**

Education: **HB 150, HB 151, HB 152.**

Energy: **HR 8, HR 9.**

Judiciary: **HB 153.**

State Government: **HB 102, HR 12.**

Transportation: **HB 148, HB 149, HB 154.**

The Clerk read the following Committee meeting schedule:

			Room
Agriculture & Small Business	Thursday	8-10am	9
Appropriations & Revenue	Tuesday	10-12noon	-A-
Banking & Insurance	Wednesday	12- 2pm	307
Business Organizations & Professions	Thursday	10-12noon	307
Cities	Tuesday	12- 2pm	9
Counties & Special Districts	Wednesday	8-10am	-A-

			Room
Education	Wednesday	12- 2pm	-A-
Elections & Constitutional Amendments	Wednesday	10-12noon	9
Energy	Tuesday	12- 2pm	-A-
Health & Welfare	Wednesday	8-10am	307
Judiciary	Tuesday	10-12noon	9
Labor & Industry	Thursday	12- 2pm	307
Natural Resources & the Environment	Thursday	12- 2pm	-A-
State Government	Thursday	10-12noon	9
Transportation	Tuesday	8-10am	9

Motions, Petitions and Communications

Representative Schmidt moved the adoption of the following Legislative Citation No. 1:

The House of Representatives of the Commonwealth of Kentucky hereby honors Representative William Harold DeMarcus. This body hails the gentlemen from Lincoln-80 upon completion of his fifth consecutive term as Minority Floor Leader. This body commends you, Representative DeMarcus, for your outstanding service to the people of the Commonwealth through your leadership role. As Minority Leader, your responsibilities and services were unexcelled and of longer duration than any other colleague. All members of this House wish to extend their gratitude to you, Representative DeMarcus, for your insight, wit, counsel and your legislative aptitude which you have graciously shared with this honorable body. Our colleagues, whether or not affiliated with the minority persuasion have each become impressed indelibly by your brilliant oratorical skills. This prestigious body, therefore, accords proudly our esteem, affection and fondest best wishes to you, Representative William Harold DeMarcus, the Gentleman from Lincoln-80. (Sponsored by Representative Schmidt)

Agreed.

Representative Romines moved that **HB 100** be taken from the Committee on Labor and Industry and reassigned to the Committee on State Government. Agreed.

Announcements

Representative B. Richardson announced that the House will convene on Mondays at 4:00 p.m., on Fridays at 10:00 a.m., and on all other days at 2:00 p.m.

Representative Clarke announced a meeting of the Committee on Appropriations and Revenue, 11:00 a.m., January 10, 1980, Room A.

Representative Deskins announced a meeting of the Committee on Natural Resources and the Environment at 12 noon, January 10, 1980, Room A.

Representative Gray announced a meeting of the Committee on Labor and Industry at 12 noon, January 10, 1980, Room 307.

Representative Thomas announced a meeting of the Committee on Business Organizations and Professions, 10:00 a.m., January 10, 1980, Room 307.

Representative LeMaster announced a meeting of the Committee on Judiciary, next Wednesday on adjournment, Room 9.

The Speaker announced a meeting of the Committee on Committees in the Speaker's office on adjournment.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Thursday, January 10, 1980.

On the roll call the vote was yeas 79-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Yates. Nays 4-Guenthner, Holbrook, Pearman, P. Richardson.

The motion to adjourn was adopted.

THURSDAY, JANUARY 10, 1980

THIRD LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Beryl Spross, Church of the Nazarene, Frankfort.

The roll was called. All present except Representatives Clapp, DeFalaise, and Reynolds.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 9, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 159, by Representative Jones: AN ACT relating to interest.

HB 160, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representatives Clarke and Craddock: AN ACT relating to income tax.

HB 161, for the Interim Joint Committee on Appropriations and Revenue with a recommendation for passage, by Representatives Clarke, Schmidt, and Morris: AN ACT relating to property taxation.

HB 162, by Representative Williams: AN ACT relating to the capitol parking structure.

HB 163, by Representative Williams: AN ACT relating to funeral directors.

HB 164, by Representative Williams: AN ACT relating to polygraph examinations.

HB 165, by Representative Williams: AN ACT relating to the use of streets and highways.

HB 166, by Representative Williams: AN ACT relating to alcoholic beverage licensing for private clubs.

HB 167, by Representative DeFalaise: AN ACT relating to income taxes.

HB 168, by Representative DeFalaise: AN ACT relating to telephone rates.

HB 169, by Representative DeFalaise: AN ACT relating to the construction of statutes.

HB 170, by Representative DeFalaise: AN ACT relating to sales tax.

HB 171, by Representative DeFalaise: AN ACT relating to taxation.

HB 172, by Representative DeFalaise: AN ACT proposing to amend the Kentucky Constitution relating to referenda on tax matters.

HB 173, by Representative DeFalaise: AN ACT relating to the taxation of nonprofit corporations.

HB 174, by Representative DeFalaise: AN ACT relating to sales and use tax.

HB 175, by Representative DeFalaise: AN ACT relating to appeals in criminal and civil cases.

HB 176, by Representative Weinberg: AN ACT relating to the presidential preference primary election.

HB 177, by Representatives Weinberg and Cawood: AN ACT relating to floods.

HB 178, by Representative Weinberg: AN ACT relating to election offenses.

HB 179, by Representatives Foster and Adams: AN ACT relating to insurance.

HB 180, by Representatives Isler and Petty: AN ACT making an appropriation to continue the Energy Cost Assistance Program.

HB 181, by Representative Boswell: AN ACT relating to property taxes.

HB 182, by Representative Lundergan: AN ACT relating to work on Sundays.

HB 183, by Representative Smith: AN ACT relating to income taxes.

HB 184, by Representative Smith: AN ACT relating to property tax.

HB 185, by Representative Smith: AN ACT relating to usury.

HB 186, by Representatives McBee, Blandford, Bronger, Burch, Crupper, Donnermeyer, Dunn, Mann, Noe, Petty, P. Richardson, Smith, and Thomas: AN ACT relating to sales and use taxes.

HB 187, by Representatives Patrick, Brinkley, Allen, Arnold, Blair, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Crupper, Curd, Dawahare, DeMarcus, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Layman, Lewis, Lundergan, McBee, Moberly, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, P. Richardson, Robinson, Sale, Schmidt, Smith, Stone, Turner, Van Horn, White and Wright: AN ACT relating to prayer in the schools.

HJR 15, by Representative Jones: A RESOLUTION relating to an investigation of personal service contracts and declaring an emergency.

HCR 16, by Representatives Wright and Haering: A CONCURRENT RESOLUTION directing the committee on program review and investigations to investigate the state energy cost assistance program.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Health and Welfare: **HB 155, HB 158.**

Judiciary: **HB 157.**

Natural Resources and Environment: **HB 156.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Energy: **HB 5, HB 6, HB 54, HB 98, HR 4, HR 8, HR 9.**

Natural Resources and Environment: **HB 11.**

Appropriations and Revenue: **HB 70, HB 71, HB 93, HB 115, HB 117, HB 128, HB 129.**

Committee Appointments

The following members were named to the Committee on Rules:

Bill Kenton

Bobby H. Richardson
Hank Hancock
Woody May
Bill Donnermeyer
Bill Brinkley
Mae Street Kidd
Buddy Adams
Clay Crupper
Lloyd Clapp
Mark O'Brien
Bob Jones
Adrian Arnold
Allene Craddock
Charles Petty
Art Schmidt
Herman Rattliff
Woody Allen

Motions, Petitions, and Communications

Speaker Pro Tempore Hancock presiding.

Representative Romines moved that **HB 18** be taken from the Committee on State Government and be reassigned to the Committee on Labor and Industry. Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Stone, **HB 116;** Representative Mann, **HB 91;** Representative Petty, **HB 91;** Representative Davenport, **HB 116;** Representative Turner, **HB 116;** Representative Plummer, **HB 74, HB 43, HB 19;** Representative Brinkley, **HB 116;** Representative Van Horn, **HB 90, HB 125, HB 74;** Representative Priddy, **HR 14;** Representative McBee, **HB 91;** Representative McNutt, **HB 60;** Representative Smith, **HB 105, HB 109.**

Representative Yates moved that the rules be suspended for the purpose of introduction of and action upon a Resolution.

On the roll call the vote was yeas 71-Adams, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Johnson, Kidd, LeMaster, Lewis, List, Little, Lundergan, May, Maynard, McBee, Moberly, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Richards, Richardson, B. Richardson, P. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Wright, Yates. Nays 5-Barrows, Jones, McNutt, Weinberg, Wilborn.

The motion that the rules be suspended for the purpose of introduction of and action upon a Resolution was adopted.

HR 14, by Representative Yates, Burch, Blandford, Bronger, Boswell, McBee, and Dunn: A RESOLUTION relating to the practice of pledging allegiance to the United States flag each day in the House of Representatives.

HR 14, A RESOLUTION relating to the practice of pledging allegiance to the United States flag each day in the House of Representatives.

WHEREAS, since all Americans respect the flag of the United States and acknowledge it as a symbol of freedom and justice to each citizen of this great nation; and

WHEREAS, during these days of difficulty for Americans abroad and evidence of disrespect for the United States among certain foreign countries a reaffirmation each day of allegiance to our flag seems most appropriate;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the members of the House of Representatives of the Kentucky General Assembly shall pledge allegiance to the flag of the United States of America prior to each daily meeting during all regular and extraordinary sessions of the General Assembly.

Representative Yates moved that **HR 14** be adopted.

HR 14 was adopted by voice vote.

Representative Arnold moved that **HB 59** be taken from the Committee on Counties and Special Districts and reassigned to the Committee on Cities. Agreed.

Representative Isler moved that he be recorded as voting "yea" on the suspension of rules in regard to **HR 14**. Agreed.

Announcements

The Committee Chairmen announced the following meetings:

Transportation: January 11, 9:30 a.m., Room A.

Cities: January 16, 11:00 a.m., Room 9.

Appropriations and Revenue Subcommittee: January 11, 9:00 a.m., Majority Whip's Office.

Education: January 16, regular time, Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 10:00 a.m., Friday, January 11, 1980.

On the roll call the vote was yeas 75-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Head, Hines, Holloway, Isler, Jones, Kidd, Layman, Lewis, List, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Yates. Nays 6-Adams, Guenthner, Holbrook, LeMaster, Overstreet, Wright.

The motion to adjourn was adopted.

FRIDAY, JANUARY 11, 1980

FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Earl Bell, Principal Chaplain, Bureau of Social Services for the Commonwealth of Kentucky, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Allen, Blythe, Burnette, DeFalaise, Johnson, Mann, Overstreet and Reynolds.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 10, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 188, by Representatives Donnermeyer and Worthington: AN ACT relating to historical preservation and making an appropriation therefor.

HB 189, by Representatives Donnermeyer and Worthington: AN ACT relating to historical preservation.

HB 190, by Representatives Nett, Blythe, Clark, and Bendl: AN ACT relating to cities of the first class.

HB 191, by Representatives Nett, Bendl, Hines, Clark, and Kidd: AN ACT relating to cities of the first class.

HB 192, by Representatives Nett, Blythe, and Bendl: AN ACT relating to animals.

HB 193, by Representative Pearman: AN ACT relating to income tax.

HB 194, by Representative Farrow: AN ACT relating to sales and use taxes.

HB 195, by Representative Burnette: AN ACT relating to tax credits and the refund thereof.

HB 196, by Representatives Burnette and Wright: AN ACT relating to sales and use tax.

HB 197, by Representatives Burnette and Petty: AN ACT relating to property taxes.

HB 198, by Representatives Burnette and Petty: AN ACT relating to the license for use of special fuels.

HB 199, by Representatives Burnette and Petty: AN ACT relating to corporation license tax.

HB 200, by Representatives Burnette and Wright: AN ACT relating to crimes and punishments.

HB 201, by Representative Pearman: AN ACT relating to taxation of motor vehicles.

HB 202, by Representative Pearman: AN ACT transferring licensing and registration responsibilities from circuit court clerks to county clerks.

HB 203, by Representative Pearman: AN ACT relating to motor vehicle registration.

HB 204, by Representative Pearman: AN ACT relating to subdivision plats.

HB 205, by Representative Pearman: AN ACT relating to taxation.

HB 206, by Representative Pearman: AN ACT relating to motor vehicle registration.

HB 207, by Representative Pearman: AN ACT relating to county clerks.

HB 208, by Representative Pearman: AN ACT relating to taxes.

HB 209, by Representative List: AN ACT relating to income taxes.

HB 210, by Representative Holbrook: AN ACT relating to school taxes.

HB 211, by Representative Tobin: AN ACT relating to operators' licenses.

HB 212, by Representative Weinberg: AN ACT relating to public roads and streets.

HR 17, by Representative B. Richardson: A RESOLUTION adopting permanent rules of the House of Representatives.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 160, HB 161, HB 166, HB 167, HB 170, HB 171, HB 173, HB 174, HB 180, HB 183, HB 184, HB 186, HR 16, HB 181.**

Banking and Insurance: **HB 159, HB 179, HB 185.**

Business Organizations and Professions: **HB 164, HB 163.**

Education: **HB 187.**

Elections and Constitutional Amendments: **HB 172, HB 176, HB 178.**

Energy: **HB 168.**

Judiciary: **HB 169, HB 175.**

Labor and Industry: **HB 182.**

Natural Resources and Environment: **HB 177.**

State Government: **HB 162, HR 15.**

Transportation: **HB 165.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Health and Welfare: **HB 158.**

Banking and Insurance: **HB 194, HB 21.**

Cities: **HB 10, HB 44, HB 59, HB 80, HB 82, HB 110.**

Elections and Constitutional Amendments: **HB 49.**

Counties and Special Districts: **HB 111, HB 134, HB 135.**

Education: **HB 32, HB 37, HB 40, HB 48, HB 101, HB 118, HB 137, HB 138, HB 139, HB 150, HB 151, HB 152.**

Motions, Petitions, and Communications

Representative B. Richardson announced a meeting of the Committee Chairmen for 10:00 a.m., Wednesday, January 16, in Room 307.

Representative Patrick moved that **HB 156** be withdrawn. Agreed.

Representative Clarke announced a meeting of the Committee on Appropriations and Revenue Budget Subcommittee, 1:00 p.m., Speaker's Office, Wednesday, January 16, and a meeting of the Committee on Appropriations and Revenue fifteen minutes after adjournment.

The Committee Chairmen announced the following meetings:

Committee on Health and Welfare, January 16, 9:00 a.m.

Counties and Special Districts: January 16, 9:00 a.m., Room A.

Banking and Insurance: January 16, 1:30 p.m.

Natural Resources and Environment: January 16, 12 noon.

Elections and Constitutional Amendments: January 16, 10:15 a.m., Room 9.

Representative Clapp announced the West Kentucky legislators would meet on Thursday on adjournment with the Senate members.

Representative Romines moved the adoption of the following Legislative Citation No. 2:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates you, Miss Elaine Harrington, the proud daughter of Mr. and Mrs. Paul Harrington, on your eighteenth birthday. Your membership in the National Honor Society, the Beta Club, and your outstanding scholastic record at Valley High School are admirable. The fine service that you render at South Jefferson Baptist Church as choir member and youth organizer, and your civic contributions are noteworthy and demonstrate leadership qualities. You are a fine representative for today's youth. This prestigious body is very proud of you and we extend our very best wishes for your continued success. (Sponsored by Representative Romines)

Agreed.

Representative Cyrus moved the adoption of the following Legislative Citation No. 3:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes with deep compassion the passing of the late "Mr. Labor" and a great statesman. He was a single most powerful force in the American Labor Movement. He passed last evening, January 10, 1980 at the age of eighty-five. The nation mourns his passing, for he was a great Labor Leader of the AFL-CIO. This prestigious body adjourns in his memory and extends our deepest sympathy to the family. (Sponsored by Representative Cyrus)

Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Bronger, **HB 4, HB 15, HB 32, HB 58**; Representative Heleringer, **HB 1, HB 2, HB**

4, HB 5, HB 19, HB 33, HB 65, HR 7; Representative Isler, **HB 91,** Repesentative Morris, **HB 21, HB 122;** Representative McKinney, **HB 11;** Representative Petty, **HB 98;** Representative Plummer, **HB 94;** Representative Riner, **HR 14.**

The following members filed requests to have their names withdrawn as co-sponsors of Bills and Resolutions: Representative DeMarcus, **HB 156;** Representative Stone, **HB 156.**

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Wednesday, January 16, 1980.

On the roll call the vote was yeas 82-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeMarcus, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 3-Deskins, Dunn, Guenthner.

The motion to adjourn was adopted.

WEDNESDAY, JANUARY 16, 1980

FIFTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Representative Louis Johnson.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative B. Richardson.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 11, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 213, by Representative Burch: AN ACT proposing an amendment to Section 170 of the Constitution of Kentucky relating to property exempt from taxation.

HB 214, by Representative Burch: AN ACT relating to medical assistance program.

HB 215, by Representative Burch: AN ACT relating to the medical assistance program.

HB 216, by Representative Noe: AN ACT relating to state merit systems employes.

HB 217, by Representative Noe: AN ACT relating to operator's licenses.

HB 218, by Representative Noe: AN ACT relating to education.

HB 219, by Representatives Worthington, Cawood, Yates, White, Morris, Dawahare, and Burch: AN ACT relating to professional engineers.

HB 220, by Representative Noe: AN ACT relating to revenue and taxation.

HB 221, by Representative Noe: AN ACT relating to controlled substances.

HB 222, by Representatives DeFalaise and Caldwell: AN ACT relating to municipal public works.

HB 223, by Representatives DeFalaise and Caldwell: AN ACT relating to municipal public works.

HB 224, by Representatives Burnette and Wright: AN ACT relating to controlled substances.

HB 225, by Representative Burnette: AN ACT relating to retirement.

HB 226, by Representative Burnette: AN ACT relating to recyclers.

HB 227, by Representative Heleringer: AN ACT relating to attorneys.

HB 229, by Representative Heleringer: AN ACT relating to committees.

HB 230, by Representative Heleringer: AN ACT relating to state board for elementary and secondary education.

HB 231, by Representative Jones: AN ACT relating to criminal littering.

HB 232, by Representative Jones: AN ACT relating to onsite sewage disposal.

HB 233, by Representative Jones: AN ACT relating to powers of cities, counties, and special districts.

HB 234, by Representative Noe: AN ACT relating to group hospital and medical insurance.

HB 235, by Representative Noe: AN ACT relating to service credit for retirement.

HB 236, by Representative Dawahare: AN ACT relating to mining.

HB 237, by Representative Heleringer: AN ACT relating to opening meetings of public agencies.

HB 238, by Representative Mann: AN ACT relating to occupational and professional licensing.

HB 239, by Representative Mann: AN ACT relating to occupational regulation.

HB 240, by Representatives Heleringer, Wright, Yates, and Johnson: AN ACT relating to motion picture distribution.

HR 18, by Representative Heleringer: A RESOLUTION directing the Judiciary Committee of the House of Representatives to carry out an investigation into the shooting death of Clyde Daniel Graham by a Kentucky State Trooper in Illinois.

HCR 19, by Representatives Stone, Boswell, Brinkley, and Tobin: A CONCURRENT RESOLUTION recognizing November, 1980, as National REACT month in Kentucky.

HB 228, by Representative Heleringer: AN ACT proposing to amend the Constitution of Kentucky relating to the Court of Justice.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 188, HB 193, HB 194, HB 195, HB 196, HB 197, HB 198, HB 199, HB 201, HB 205, HB 208, HB 209, HB 210.**

Cities: **HB 190, HB 191.**

Counties and Special Districts: **HB 192, HB 204, HB 207.**

Judiciary: **HB 200.**

State Government: **HB 189.**

Transportation: **HB 202, HB 203, HB 206, HB 211, HB 212.**

The Clerk reported the Committee on Committees has referred the following communications from the Chief Justice of the Supreme Court to the Committee on Judiciary:

Honorable Martha Layne Collins
President of the Senate

Honorable William C. Kenton
Speaker of the House of Representatives

Pursuant to Sections 113(2) and 113(3) of the Constitution the Supreme Court has certified to the General Assembly the necessity for four additional circuit and twenty-two additional district judges. Further, pursuant to Sections 112(2) and 112(3) of the Constitution the Supreme Court has certified to the General Assembly the necessity for redistricting affecting the 54th, 15th and 24th judicial circuits and districts. The certificate so specifying is transmitted herewith.

/sd/ John S. Palmore
Chief Justice

cc: Honorable John Y. Brown, Jr., Governor

Supreme Court of Kentucky

Certification of Necessity for Redistricting and Additional Judges

Pursuant to Section 112(2) and 113(2) of the Kentucky Constitution, the Supreme Court certifies that there is a necessity for the creation of a new judicial circuit and district consisting of Lawrence and Martin Counties and further certifies that there is a necessity to rearrange the now existent 15th and 54th Judicial Circuits and Districts to the end that Gallatin County be transferred from the 54th to the 15th Judicial Circuit and District.

Pursuant to Section 112(3) and 113(3) of the Kentucky Constitution, the Supreme Court certifies that there is a necessity for (1) judge each of the circuit and district court to serve the prospective new circuit and district consisting of Lawrence and Martin Counties and further certifies that there is a necessity for (1) additional judge for each of the following circuits or districts:

3rd Judicial Circuit consisting of Christian County;
25th Judicial Circuit consisting of Clark and Madison Counties;
27th Judicial Circuit consisting of Knox and Laurel Counties;

4th Judicial District consisting of Hopkins County;
5th Judicial District consisting of Crittenden, Union and Webster Counties;
10th Judicial District consisting of Hart, Nelson and Larue Counties;
14th Judicial District consisting of Bourbon, Scott and Woodford Counties;
15th Judicial District consisting of Carroll, Grant and Owen Counties and, in the event the General Assembly so provides, of Gallatin County;
20th Judicial District consisting of Greenup and Lewis Counties;
25th Judicial District consisting of Clark and Madison Counties;
26th Judicial District consisting of Harlan County;
31st Judicial District consisting of Floyd County;
33rd Judicial District consisting of Perry County;
34th Judicial District consisting of McCreary and Whitley Counties;
36th Judicial District consisting of Knott and Magoffin Counties;
39th Judicial District consisting of Breathitt, Powell and Wolfe Counties;
40th Judicial District consisting of Clinton, Russell and Wayne Counties;
41st Judicial District consisting of Clay, Jackson and Leslie Counties;
42nd Judicial District consisting of Calloway and Marshall Counties;
43rd Judicial District consisting of Barren and Metcalfe Counties;
44th Judicial District consisting of Bell County;
45th Judicial District consisting of McLean and Muhlenberg Counties;
48th Judicial District consisting of Franklin County;
50th Judicial District consisting of Boyle and Mercer Counties.

Entered this 11th day of January, 1980.

/sd/ John S. Palmore
Chief Justice

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Elections and Constitutional Amendments: **HR 7.**

Health and Welfare: **HB 91.**

Judiciary: **HB 84, HB 19, HB 42, HB 61, HB 64, HB 94, HB 43.**

State Government: **HB 12, HB 65, HB 123, HB 13, HB 102, HB 95, HB 143, HB 144, HB 145.**

Appropriations and Revenue: **HB 147.**

Report of Committees

The Committee on Counties and Special Districts reported **HB 134** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 134, AN ACT relating to county government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67.711 is amended to read as follows:

Notwithstanding the provisions of KRS 67.710(7) the county judge/executive of any county may appoint a deputy who shall serve at his pleasure. Such deputy may exercise all administrative powers, duties, and responsibilities of that office, and may assume such other responsibilities as shall be prescribed in the administrative code of the county, *except that the deputy county judge/executive shall not act for the county judge/executive as a member or presiding officer of the fiscal court.*

Section 2. KRS 67.725 is amended to read as follows:

For the purpose of KRS 67.730 to 67.745, the regular county judge/executive, the *deputy* county judge/executive [pro tem], or other persons designated to serve in the line of succession during an emergency shall be deemed "absent" when he is outside the county at the time of the occurrence or declaration of the emergency and is unable to return; and shall be deemed "disabled" when sick, injured or mentally incompetent to perform the duties.

Section 3. KRS 67.730 is amended to read as follows:

When the absence or disability of the duly elected county judge/executive of any county shall prevent his serving in office during an emergency involving national and state defense, the duties of the county judge/executive shall be administered temporarily by the *deputy* county judge/executive [pro tem], if one has been appointed by the county judge/executive and is actively serving as such.

Section 4. KRS 67.735 is amended to read as follows:

In any county where no *deputy* county judge/executive [pro tem] has been appointed by the county judge/executive upon June 18, 1970, then the county judge/executive of such county shall appoint a *deputy* county judge/executive [pro tem] for the purpose of preparing for such an emergency as is set forth in KRS 67.730.

Section 5. KRS 67.740 is amended to read as follows:

If neither the county judge/executive nor the *deputy* county judge/executive [pro tem] is able to serve in the office by reason of absence or disability, then the duties of the county judge/executive shall be assumed temporarily by a member of the fiscal court selected for this purpose by the fiscal court, provisions of subsection (2) of KRS 61.080 to the contrary notwithstanding.

Section 6. KRS 67B.020 is amended to read as follows:

As used in this chapter, the following words or terms shall have the respective meanings indicated, unless a different meaning is clearly indicated by the context:

(1) "Department" means a metropolitan correctional services department created by the fiscal court of a county containing a city of the first class, where the constitutional offices of sheriff and jailer have been consolidated, pursuant to this chapter.

(2) "Fiscal court" means the county judge/executive [or county judge/executive pro tem,] and justices of the peace of a county; or the county judge/executive [or county judge/executive pro tem,] and three (3) county commissioners elected pursuant to KRS 67.050 and 67.060, which exercises the legislative functions of a county as provided by the provisions of the Kentucky Revised Statutes.

(3) "Correctional facility" means the county jail and all other detention and penal facilities of a county, whether for juvenile or adult offenders, and public wards, together with all rehabilitative facilities of a county for juvenile or adult offenders and for public wards, as such facilities may be designated from time to time by the fiscal court.

(4) "Sheriff" means the sheriff of a county who has been duly elected by the qualified voters as provided in section 99 of the constitution of the Commonwealth of Kentucky.

(5) "Jailer" means the jailer of a county who has been duly elected by the qualified voters of a county as provided in section 99 of the constitution of the Commonwealth of Kentucky.

(6) "Governmental agency" means any incorporated city, division of city government, including the United States of America, and its agencies and instrumentalities, situated within, or conducting public operations within, a county in which a metropolitan correctional services department has been duly established.

The Committee on Education reported **HB 138** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 138, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the superintendent of public instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for exceptional children, classroom units for kindergarten, classroom units for superintendents, administrative and special instructional services, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) In allotting classroom units for elementary and secondary schools, one (1) classroom unit shall be included for each twenty-seven (27) pupils in average daily attendance in grades one (1) through twelve (12); provided, however, that one (1) classroom unit shall be included for each isolated one-teacher school with twelve (12) or more pupils in average daily attendance and one (1) unit shall be included for each twenty-five (25) pupils in average daily attendance at all other isolated schools. The allotments of classroom units in this subsection shall be made on the *seven and one-fourth (7 ¼) school months having the highest* average daily attendance for the [end of the] previous school year in public school grades one (1) through twelve (12) after the following deductions: (a) an average daily attendance of six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 shall be deducted for each vocational unit allotted and (b) an average daily attendance of five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 shall be deducted for each exceptional children's unit allotted. If a local school district through its admission and release committee determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, then the school district shall count this as average daily attendance in a public school the time that such child is in attendance at such private school or agency.

(3) Allotments of classroom units except those allotted in accordance with subsection (4) of this section, shall be increased when the average daily attendance in grades one (1) through twelve (12) in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district in grades one (1) through twelve (12) for the first two (2) months of the previous school year. The total number of classroom units allotted the district shall be increased by the percent of increase.

(4) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the number of classroom units allotted the district, except those allotted in accordance with subsection (3) of this section, for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(5) In allotting classroom units for vocational education, one (1) classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the state plan of vocational education as approved by the state board for occupational education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach part-time or short unit classes for less than a school day or a school year that meet the regulations of the state plan of vocational education as approved by the state board for occupational education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(6) In allotting classroom units for exceptional children, one (1) classroom unit shall be included upon the employment of each teacher approved to teach such children in accordance with the provisions of law and Kentucky administrative regulations of the state board for elementary and secondary education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(7) (a) In allotting classroom units for administrative and special instructional services, the total number of classroom units allotted in subsections (2) and (10) plus subsections (5) and (6) before July 1, 1976 shall be divided by eight (8) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(b) The total number of units allotted under subsection (5) beyond those allotted in the school year 1975-76 times six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 average daily attendance plus the total number of units allotted under subsection (6) beyond those allotted in the school year 1975-76 times five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 average daily attendance shall be divided by two hundred and sixteen (216) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(c) The total of subsection (a) plus subsection (b) shall be the number of classroom units allotted the district for administrative and special instructional services as authorized by Kentucky administrative regulations of the state board for elementary and secondary education.

(8) In allotting classroom units for supervisors of instruction, one-half (½) of a classroom unit shall be allotted each district which is allotted twenty-five (25) through forty-nine and nine-tenths (49.9) classroom units under subsections (2), (5), (6) and (10); one (1) unit shall be allotted each district which is allotted fifty (50) to one hundred (100) classroom units, one unit shall be allotted for each one hundred (100) classroom units, or major fraction thereof, in districts allotted more than one hundred (100) classroom units under these subsections.

(9) In allotting classroom units for directors of pupil personnel, one (1) classroom unit shall be allotted each district which is allotted thirty-six (36) to one hundred and sixty-five and nine-tenths (165.9) classroom units under subsection (2) and a unit for each additional two hundred and sixty-six (266) classroom units or fraction thereof allotted under subsection (2). For districts having fewer than thirty-six (36) classroom units, a proportionate fraction of a classroom unit shall be allotted.

(10) In allotting classroom units for the kindergarten, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, may allot units for kindergarten. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(11) In allotting classroom units for superintendent, one unit shall be allotted each school district.

The Committee on Health and Welfare reported **HB 91,** with Committee Amendment attached thereto, and **HB 158,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 91, AN ACT relating to aged persons and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) It is the intent of the General Assembly that moneys appropriated in this Act be utilized only to initiate the statewide senior citizen discount program and that, after a period of three (3) years, the program be self-sustaining and no further public funds should be expended thereon.

(2) To accomplish the third year of funding the 1980 session of the General Assembly strongly urges the 1982 session of the General Assembly not to appropriate in excess of forty thousand dollars ($40,000) for this program for fiscal year 1983-84 and not to fund the program beyond that date.

SECTION 2. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Senior citizen" means a person sixty-five (65) years of age or older;

(2) "Statewide senior citizen discount program" means a program to provide senior citizens discounts on retail goods and services from merchants throughout the state.

SECTION 3. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) There is established within the department for human resources a statewide senior citizen discount program for the purpose of making retail goods and services available at reduced rates to the Commonwealth's senior citizens.

(2) The department shall establish this program in cooperation with the governor's office of volunteer services, making use of both existing social service agencies funded by the Commonwealth and volunteer service organizations in order to implement the program in the most expeditious manner at the least expense to the taxpayer. The department shall establish regional service centers to provide the training, support and promotion necessary to the program.

(3) Program participation shall be voluntary and free. No fees, dues or other charges shall be assessed by the department nor required of the merchants or senior citizens who choose to participate. The

department shall invite retail merchants to participate in the program by extending discounts on their merchandise or services to citizens sixty-five (65) years of age and older. The conditions and rate of the discounts shall be determined by the participating businesses. Persons sixty-five (65) years of age shall be eligible to participate in the program by presenting valid proof of age to participating businesses.

(4) The secretary of the department shall make such regulations as necessary to provide program identification for participating merchants and senior citizens lacking proof of age, informational brochures, directories of participating businesses and other printed materials essential to the implementation and promotion of the program.

Section 4. To carry out the purposes of this Act, there is appropriated to the department for human resources out of the general fund in the state treasury the sum of one hundred sixty-five thousand dollars ($165,000) for the 1980-81 fiscal year and eighty-two thousand five hundred dollars ($82,500) for the 1981-82 fiscal year.

The Committee Amendment to **HB 91** is as follows:

Amend printed copy of **HB 91,** page 1, line 19, by deleting the word "sixty-five (65)" and inserting in lieu thereof the word "sixty (60)";

And on Page 3, line 3, by deleting the word "sixty-five (65)" and inserting in lieu thereof "sixty (60)";

And on page 3, line 6, by adding after the word "business." the following sentence: "The identification card may be suspended by the department if transferred by the holder or used by the holder for any other person not in the holder's immediate family."

HB 158, AN ACT relating to anatomical gifts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) In any case in which a patient is in need of corneal tissue or kidneys for a transplant, the coroner, medical examiner, or an appropriately qualified designee with training in opthalmologic techniques may, upon the request of any person authorized under KRS 311.185, provide the cornea or kidneys, or both, under the following conditions;

(a) A decedent who may provide a suitable cornea or kidney for the transplant who is defined as a "coroner's case" as set forth by KRS 72.405(2);

(b) No objection by the next of kin is known by the coroner or medical examiner; and

(c) The removal of the cornea or kidneys will not interfere with the subsequent course of an investigation or autopsy or alter the post mortem facial appearance.

(2) The medical examiner, coroner, or his appropriately qualified designee or any persons authorized under KRS 311.185 shall not be held liable in any civil or criminal action for failure to obtain consent of the next of kin.

The Committee Amendment to **HB 158** is as follows:

Amend printed copy of **HB 158,** page 1, line 3, by inserting after the word "of" the words "a cornea or";

And on page 1, line 4, by deleting the words "or kidneys";

And on line 5, by deleting the word "an" and inserting in lieu thereof the word "his";

And on lines 7-8, by inserting after the word "provide" the phrase "or authorize the removal of";

And on line 8, by deleting the words "kidneys, or both," and inserting in lieu thereof the words "corneal tissue by a qualified physician";

And on lines 10-11, by deleting the words "kidney" and inserting in lieu thereof the words "corneal tissue";

And on line 15, by deleting the words "kidneys" and inserting in lieu thereof the words "corneal tissue."

The Speaker Pro Tempore Hancock presiding.

Motions, Petitions and Communications

Representative Bendl moved that **HB 114** be taken from the Committee on Health and Welfare and sent to the Committee on Committees for reassignment to the Committee on Energy. Agreed.

The Committee Chairman made the following announcements:

Committee on Labor and Industry: 12 noon meeting tomorrow, cancelled.

Committee on Judiciary: Will meet today on adjournment, Room 9.

Committee on State Government: January 17, Room A.

Committee on Energy: January 17, on adjournment, Room 9.

Committee on Agriculture and Small Business: Cancelled for January 17.

Committee on Natural Resources and Environment: January 17, 12 noon, Room A.

Committee on Appropriations and Revenue: Will meet fifteen minutes after adjournment today, Room A.

Representative Wilborn announced a meeting for review of rule changes at his desk at 1:55 p.m.

Representative Pearman moved the adoption of the following Legislative Citation No. 4:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes with keen satisfaction the Kentucky State Police for their distinguished record of commitment to the preservation of the Constitution and the laws of the Commonwealth of Kentucky. The protection and defense of its citizens, their property and inalienable rights to life, liberty and pursuit of happiness have been demonstrated most effectively in your unbiased opinions for all citizens. Your service to humanity encompassed intrepidity, integrity, and dedication. Our Commonwealth owes the Bureau of State Police and your officers an everlasting debt of gratitude for your unswerving devotion often in the face of great personal danger. To date, twenty Kentucky State Police Officers have given their lives in the performance of their duties, two in the last year. This prestigious body highly commends you for your fortitude and dedication. (Sponsored by Representative Pearman)

Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as Co-sponsors of Bills and Resolutions: Representative Bennett, **HB 32, HB 74, HB 90, HB 125**; Representative Boswell, **HB 123**; Representative Bronger, **HB 20**; Representative Burch, **HB 32**; Representative Cawood, **HB 91**; Representative Craddock, **HB 211**; Representative Dunn, **HB 20, HB 31, HB 35, HB 37, HB 41, HB 47, HB 51, HB 63, HB 65, HB 66, HB 90, HB 91, HB 98, HB 99, HB 111, HB 117, HB 125, HB 133, HB 130, HB 131, HB 132, HB 134, HB 138, HB 143, HB 145, HB 178**; Representative Farrow, **HB 91**; Representative Haering, **HB 32, HB 99, HB 116**; Representative Holbrook, **HB 116**; Representative LeMaster, **HB 123**; Representative Maynard, **HB 32**; Representative McKinney, **HB 99, HB 211**; Representative McNutt, **HB 211**; Representative Petty, **HB 158**; Representative Riner, **HB 200**; Representative Romines **HB 32**; Representative Schmidt, **HB 91**; Representative Weinberg, **HB 2, HB 29, HB 147, HB 166**; Representative Yates, **HB 90.**

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

The Floor Amendment No. 1 to **HR 17** by Representative Kenton is as follows:

Amend printed copy of **HR 17,** page 33, line 3 through 6, by deleting said lines and inserting in lieu thereof the following:

"Introduction Clerk in her office at any time the same is open. Bills and resolutions introduced by filing them with the Bill Introduction Clerk after the House has concluded Item 4, in Rule";

And on page 33, lines 9 through 11, by deleting said lines and inserting in lieu thereof the following:

"Introduction Clerk shall number bills in the order received and transmit a copy immediately after introduction on the House floor to the Committee on Committees for reference to."

The Floor Amendment No. 2 to **HR 17** by Representative Kenton is as follows:

Amend printed copy of **HR 17,** page 5, line 2, by inserting following said line the following:

"Upon the adoption of a motion to adjourn to a time certain the adoption of said motion shall also authorize the Committee on Committees to reschedule such time certain for reconvening in the event of inclement weather or other hazard or disaster."

The Floor Amendment No. 3 to **HR 17** by Representative LeMaster is as follows:

Amend printed copy of **HR 17,** page 33, line 13, by striking the words "after the thirty-eighth" and inserting in lieu thereof the words "during the last ten (10)";

And on line 14, by striking the word "day" and inserting in lieu thereof the word "days."

Adjournment

Representative May moved that the House adjourn until 2 p.m., Thursday, January 17, 1980.

On the roll the vote was yeas 73-Arnold, Barrows, Bendl, Blair, Blandford, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holloway, Isler, Johnson, Jones, Kidd, Layman, List, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Reynolds, Richards, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Yates. Nays 8-Blythe, Deskins, Guenthner, Holbrook, LeMaster, Overstreet, Rapier, Wright.

The motion to adjourn was adopted.

THURSDAY, JANUARY 17, 1980

SIXTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Dennis W. Jones, First Presbyterian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members were present.

Representative Brinkley moved that the reading of the Journal of January 16, 1980, be dispensed with and the same approved.

Introduction of Bills and Resolutions

HB 241, by Representatives Cyrus, Holbrook, and Brown: AN ACT proposing an amendment to Section 170 of the Constitution of Kentucky relating to property tax exemptions.

HB 242, by Representative Bendl: AN ACT relating to camping programs for handicapped children and making an appropriation therefor.

HB 243, by Representative DeFalaise: AN ACT relating to parole board members.

HB 244, by Representatives Dawahare and White: AN ACT relating to strip mining.

HB 245, by Representatives Worthington and Arnold: AN ACT relating to historical preservation and making an appropriation therefor.

HB 246, by Representatives Cyrus, Stone, Plummer, and Dawahare: AN ACT relating to purchasing.

HB 247, by Representatives Burch, DeFalaise, Caldwell, Petty, Cyrus, Schmidt, Guenthner, and Ellington: AN ACT relating to annexation.

HB 248, by Representatives DeFalaise, Caldwell, Heleringer, Petty, Schmidt, Guenthner, and Burch: AN ACT relating to annexation.

HB 249, by Representatives Williams, Heleringer, and Hines: AN ACT relating to criminally insane.

HB 250, by Representative Hancock: AN ACT relating to courts and making an appropriation therefor.

HB 251, by Representatives Hancock, Stone, Gray, and Foster: AN ACT relating to retirement.

HB 252, by Representatives Heleringer, Williams, and Hines: AN ACT relating to crimes and punishments.

HB 253, by Representative Heleringer: AN ACT relating to attorneys.

HB 254, by Representative Heleringer: AN ACT relating to hunting and fishing.

HB 255, by Representative McNutt, Tobin, and Craddock: AN ACT relating to statutes.

HB 256, by Representatives Deskins and Patrick: AN ACT relating to the red fox.

HB 257, by Representative Noe: AN ACT relating to teacher retirement.

HB 258, by Representatives Adams, Foster, List, Thomason, Clarke, Blandford, Head, Jones, and Crupper: AN ACT relating to fiscal courts.

HB 259, by Representative Stone: AN ACT relating to venue in civil actions.

HB 260, by Representatives White and Lewis: AN ACT relating to circuit courts and making an appropriation therefor.

HB 261, by Representatives Deskins and Patrick: AN ACT relating to the red fox.

HB 262, by Representative DeMarcus, Reynolds, Plummer, and Rattliff: AN ACT relating to the gray and red fox.

HB 263, by Representative Heleringer: AN ACT relating to handicapped persons receiving assistance at self-service gas pumps.

HB 264, by Representative Heleringer: AN ACT relating to income tax.

HB 265, by Representatives Isler, DeMarcus, Allen, Bennett, Blair, Blythe, Brown, Caldwell, Clapp, Crupper, Davenport, DeFalaise, Donnermeyer, Dunn, Foster, Fryman, Head, Heleringer, Hines, Kidd, Layman, Little, Mann, McBee, McKinney, Overstreet, Petty, Plummer, Reynolds, Sale, Schmidt, Stone, Turner, Van Horn, Williams, and Wright: AN ACT relating to retirement.

HB 266, by Representative Burch: AN ACT relating to revenue and taxation.

HB 267, by Representatives Cawood and Farrow: AN ACT relating to circuit court clerks.

HB 268, by Representative Smith: AN ACT relating to usury.

HCR 20, by Representative Weinberg: A CONCURRENT RESOLUTION directing the Legislative Research Commission to conduct a study of the extent and impact of the legal dominance of the mineral estate over the surface estate.

HJR 21, by Representatives Worthington, Arnold, and Lundergan: A JOINT RESOLUTION authorizing an appropriation for the Blue Licks Commemorative Commission.

HCR 22, by Representative Bendl: A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the participation of physicians in the Kentucky Medical Assistance program.

HR 23, by Representatives Brinkley, Dawahare, Weinberg, Stone, Bruce, Overstreet, and Deskins: A RESOLUTION relating to the use of coal in the boilers of state owned facilities.

HR 25, by Representative Lundergan, Bruce, Gray, and Morris: A RESOLUTION honoring Kentucky State Police Trooper Eddie Harris, of Elizabethtown, who was killed in the line of duty on November 7, 1979, in Larue County.

HCR 26, by Representatives Hancock, Little, McKinney, Crupper, Van Horn, Head, Sale, Hines, Stumbo, and Dawahare: A CONCURRENT RESOLUTION requesting the United States Congress to allocate to each of the state highway departments for maintenance of state and local roads any increase of the federal motor fuels tax if such an increase is deemed necessary by Congress.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 220.**

Business Organizations and Professions: **HB 219, HB 238, HB 239, HB 240.**

Cities: **HB 222, HB 223.**

Counties and Special Districts: **HB 235.**

Education: **HB 218, HB 230.**

Energy: **HB 114.**

Health and Welfare: **HB 214, HB 215, HB 232, HB 233.**

Judiciary: **HB 221, HB 224, HB 227, HB 229, HB 231, HB 237, HR 18.**

Natural Resources and Environment: **HB 236.**

State Government: **HB 216, HB 225, HR 19.**

Transportation: **HB 217, HB 226.**

Banking and Insurance: **HB 234.**

Elections and Constitutional Amendments; **HB 213, HB 228.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Agriculture and Small Business: **HB 105.**

Appropriations and Revenue: **HB 146, HB 161, HB 167.**

Transportation: **HB 38, HB 23, HB 154.**

State Government: **HR 12.**

Health and Welfare: **HB 125, HB 155.**

Business Organizations and Professions: **HB 15.**

Cities: **HB 8, HB 79, HB 81, HB 83.**

Banking and Insurance: **HB 122.**

Report of Committees

The Committee on Appropriations and Revenue reported **HB 71,** with Committee Substitute attached thereto, and **HB 117** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 71, AN ACT relating to budget and financial administration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

There is established within the department of finance an office for investment and debt management, which shall be headed by an executive director responsible to the secretary of finance, and appointed by the secretary upon approval of the governor.

SECTION 2. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The office for investment and debt management established in Section 1 of this Act shall have and perform functions and duties as follows:

(1) The analysis and management of short and long-term cash flow requirements.

(2) The maximization of the rate of return on state investments given the cash flow and liquidity requirements.

(3) The coordination and monitoring of cash needs relative to investment and debt activity.

(4) The development of a long-term debt plan including criteria for the issuance of debt and an evaluation of how much total state debt is justified.

(5) The evaluation of revenue projections relative to proposed revenue bond issues.

The Committee Substitute to **HB 71** is as follows:

HB 71, AN ACT relating to budget and financial administration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

There is established within the department of finance an office for investment and debt management, which shall be headed by an executive director responsible to the secretary of finance, and appointed by the secretary upon approval of the governor.

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(1) The analysis and management of short and long-term cash flow requirements.

(2) The maximization of the rate of return on state investments given the cash flow and liquidity requirements.

(3) The coordination and monitoring of cash needs relative to investment and debt activity.

(4) The development of a long-term debt plan including criteria for the issuance of debt and an evaluation of how much total state debt is justified.

(5) The evaluation of revenue projections relative to proposed revenue bond issues.

(6) The responsibility for liaison with the General Assembly on all investment and debt matters, including, but not limited to, new bond issues the status of state debt, and the status of state investments.

(7) All other functions of the department relative to state investment and debt management including, but not limited to, the making of debt service payments, the sale of bonds, and staff assistance to the state property and buildings commission.

SECTION 3. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

All other provisions of the Kentucky Revised Statutes notwithstanding, all state agencies and all individuals, agencies, authorities, boards, cabinets, commissions, corporations, or other entities of, or representing the Commonwealth with the authority to issue bonds, shall submit all proposed bond issues, bond anticipation notes, or interim debt financing to the office for investment and debt management for review and approval prior to issuance of such debt.

Section 4. KRS 42.022 is amended to read as follows:

The office for policy and management established in the executive department for finance and administration by KRS 42.014 shall have and perform functions and duties as follows:

(1) Assist with the staff planning functions of the state planning committee. The deputy secretary of the executive department for finance and administration for the office for policy and management shall serve as secretary of the state planning committee.

(2) Statewide clearinghouse functions and statewide plan review and coordination as provided by Memorandum A-95 of the United States office of management and budget; program plan review and analysis; executive policy implementation and compliance; and, capital outlay planning.

(3) Functions vested in the executive department for finance and administration relative to the preparation, administration, and evaluation of the executive budget as provided in KRS Chapter 45 and in other laws, including but not limited to, capital construction budgeting, evaluation of state programs, program monitoring, financial and policy analysis and issue review.

(4) Continuous evaluation of statewide management and administrative procedures and practices, including but not limited to, organizational analysis and review, economic forecasting, technical assistance to state agencies, forms control, and special analytic studies as directed by the secretary or the governor.

(5) The department's functions relative to state debt and investment management, including but not limited to, the sale of bonds, surplus funds management, and debt service payments.

(6) Except as otherwise provided by law, the coordination of federal-state relations, including but not limited to, coordinating the flow of information between the federal and state governments; federal revenue sharing monitoring within this state; federal legislation review; coordination and oversight of federal aid programs; and federal-state relations policy.

HB 117, AN ACT relating to sheriffs' expenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 70.170 is amended to read as follows:

(1) Each sheriff performing the duties required under the provisions of KRS 70.150 and 70.160 shall be allowed the amount of *thirty-six hundred dollars ($3,600)* [$2100] annually payable out of the state treasury at the rate of *three hundred dollars ($300)* [$175] per month for such services. The first such monthly payment shall be for the month of July, 1966, and the check therefor shall be forwarded to the sheriff concerned on or about the last working day of that month and each month thereafter.

(2) The allowance authorized in subsection (1) of this section shall be considered as operating expenses of the sheriff's office and shall not be considered as part of his compensation. Sheriffs shall not be required to keep records verifying the expenditures from the allowance provided by the state.

The Committee on Judiciary reported **HB 42,** with Committee Amendment attached thereto, and **HB 84,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 42, AN ACT relating to divorce.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 403.044 is amended to read as follows:

In divorce actions in which *a controversy exists concerning* children who are the issue of the marriage [are involved] no testimony other than on temporary motions shall be taken or heard before sixty days have elapsed from the date of service of summons, the appointment of a warning order attorney or the filing of an entry of appearance or a responsive pleading by the defendant, whichever occurs first.

The Committee Amendment to **HB 42** is as follows:

Amend printed copy of **HB 42,** page 1, line 1, by striking the words "*a controversy exists*" and inserting in lieu thereof the words "*there are*";

And on line 2 by striking the word "*concerning.*"

HB 84, AN ACT relating to statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 446 IS CREATED TO READ AS FOLLOWS:

(1) A bill enrolled, either approved by the governor or which became law without the governor's signature under the provisions of Constitution Section 88, and which has been filed with the secretary of state, is void if it is not identical in language to the bill passed by the legislature and if the variance is material.

(2) In determining whether the bill passed is different from that which was enrolled, either signed by the governor or which became law without the governor's signature under the provisions of Constitution Section 88, and which was filed with the secretary of state, the court shall consider the legislative journals and other competent evidence.

The Committee Amendment to **HB 84** is as follows:

Amend printed copy of **HB 84**, page 1, by inserting after line 15 the following:

"Section 2. Whereas, the General Assembly is now in progress, and it is desirable that all bills be subject to the provisions of this Act, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the governor."

The Committee on Banking and Insurance reported **HB 21**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 21, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 3 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any insurer authorized to write a policy of workmen's compensation insurance or self-insurer shall transmit the following information to the department each year with the annual report of such insurer, and such information shall be broken down by its nationwide and Kentucky insurance writings:

(a) Direct premiums written;
(b) Direct premiums earned;
(c) Dividends paid or credited to policyholders;
(d) Losses paid;
(e) Allocated loss adjustment expenses;
(f) The ratio of allocated loss adjustment expenses to losses paid;
(g) Unallocated loss adjustment expenses;
(h) The ratio of unallocated loss adjustment expenses to losses paid;
(i) The total of losses paid and unallocated and allocated loss adjustment expenses;
(j) The ratio of losses paid and unallocated and allocated loss adjustment expenses to premiums earned;
(k) The number of claims outstanding as of December 31 of each year;
(l) The total amount of losses unpaid as of December 31 of each year;
(m) The total amount of allocated and unallocated loss adjustment expenses unpaid as of December 31 of each year; and
(n) The total of losses paid and allocated loss adjustment expenses and unallocated loss adjustment expenses, plus the total of losses unpaid as of December 31 of each year and loss adjustment expenses unpaid as of December 31 of each year.

(2) The department shall provide a summary of information provided pursuant to subsection (1) of this section in its annual report.

(3)(a) The first report of this information shall include the information for the last six (6) months for the year ending December 31, 1980. Such report shall be filed no later than March 1, 1981. Beginning with the report for the period ending December 31, 1982, all future reports shall have all information required by subsection (1) of this section broken down by year for the current and two (2) preceding years.

(b) Within thirty (30) days after March 1, 1982, the department of insurance shall commence a review of the rates of all workmen's compensation insurers in effect at the time. If, after the review, the department finds on a preliminary basis that the rate may be excessive, inadequate, or unfairly discriminatory, the department shall so notify the insurer. Upon being so notified, the filer shall within sixty (60) days file with the department all information which the filer believes proves the reasonableness, adequacy, and fairness of the rate. In such instances, the filer shall carry the burden of proof. In the event the department finds that a rate is excessive, inadequate, or unfairly discriminatory, the department may order that a new rate schedule be thereafter filed by the filer and may further specify the manner in which noncompliance shall be corrected.

The Committee Amendment to **HB 21** is as follows:

Amend printed copy of **HB 21**, page 1, line 4, by deleting "or self-insurer";

And on page 3, line 12, by deleting "may" and inserting the word "shall";

And on page 3, line 13, by deleting "may" and inserting the word "shall."

Calendar

HB 134, HB 138, HB 91, and **HB 158** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Motions, Petitions, and Communications

Representative B. Richardson moved that the rules be suspended to act upon a Resolution. Agreed.

Representative B. Richardson moved the adoption of **HR 17.**

HR 17, A RESOLUTION adopting permanent rules of the House of Representatives.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Rule 1. Hours of Meeting. The House shall meet at times set by the Committee on Committees.

Rule 2. Quorum. A majority of the members elected to the House shall constitute a quorum. If a quorum is not present at the time fixed for a meeting of the House, five members may adjourn or recess from day to day or from time to time and fifteen members may order a call of the House and send for absent members.

Rule 3. Call of the House. Upon a call of the House, the Clerk shall call the roll. Absentees are then only noted, but no excuses shall be made until the full roll is called. The clerk shall then call the absentees again. Excuses will be heard at this time. The doors of the House Chamber shall then be closed and the absentees not excused by the House may be sent for and arrested by the Sergeant-at-Arms and the House shall determine upon what conditions they shall be discharged from arrest. Members who voluntarily appear shall be immediately admitted to the floor of the House and names returned upon the Journal as present unless the House otherwise directs. Excuses for leaves of absence must receive a consent approval of ⅔ of the members elected.

ORDER OF BUSINESS

Rule 4. Order of Business. The order of business shall be as follows:

1. Invocation.
2. Roll Call.
3. Reading and approval of the Journal.
4. Introduction and Reading of New Bills and Resolutions Introduced by Title and Sponsor.
5. Report of Reference of Bills to Committees.
6. Report of Committees.
7. First Reading of Bills.
8. Second Reading of Bills.
9. Orders of the Day.
10. Motions, Petitions and Communications.
11. Announcements.
12. Adjournment.

No more than thirty minutes shall be allotted to Motions, Petitions and Communications.

Rule 5. Unfinished Business. Unfinished business which was being considered upon adjournment shall have precedence in the class of business to which it properly belongs upon the next succeeding legislative day.

MOTIONS

Rule 6. Reading of Motions. When a motion has been made and seconded, it shall be stated by the Speaker, or, being in written form, it shall be read by the Clerk before debate, amendment or motion concerning it shall be in order.

Rule 7. Withdrawal of Motions. Every oral motion after it has been stated by the Speaker, and every written motion, bill, resolution or other paper, after it has been read by the Clerk, shall be the property and in the possession of the House and shall not be withdrawn without consent of the House. Every written motion, report or measure may be committed or recommitted at the pleasure of the House.

Rule 8. Order of Questions. All questions, whether in Committee of the Whole or in the House, when not privileged questions, shall be propounded in the order in which they were moved, except that in filing blanks the smallest sum and the most remote date shall be put first.

Rule 9. Precedence of Motions. When a question is under consideration, no motion shall be in order except:

1. To call the House when there is no quorum present.
2. To fix the time to which the House shall adjourn.
3. To adjourn.
4. To take recess.
5. To lay on the table.
6. For the previous question.
7. To limit or extend limits of debate.
8. To postpone to a fixed time.
9. To lay on the Clerk's Desk.
10. To refer or commit.
11. To amend.
12. To postpone indefinitely.

The above several motions shall have precedence in the order in which they are arranged and the first seven of them shall not be debatable.

A second motion to adjourn, to take a recess, to lay on the table, for the previous question, to limit or extend limits of debate, to postpone to a time certain, to lay on the Clerk's desk, to refer or commit or to postpone indefinitely shall not be in order on the same day, upon the same question, and at the same status unless other business intervenes; provided, however, that amendments may be made to the time to which it is proposed to adjourn, to take a recess or to postpone to a fixed time.

Rule 10. Motion to Adjourn. A motion to adjourn, to take a recess, or a motion to adjourn to a time certain, shall always be in order, except when a member is speaking, while a vote is being taken or when the Committee on Committees is reporting; subject, however, to the limitations set out in Rule 9. A motion to adjourn or a motion to adjourn to a time certain shall be taken by roll call vote.

Rule 11. Motion to Table. The adoption of the motion to table, under these rules, defeats the subject matter under consideration. The reconsideration of the motion to table shall require approval of a majority of the members elected.

Rule 12. Previous Question. When the previous question has been ordered, a vote shall be taken immediately upon the pending measure and such pending amendments as are in order. The effect of the previous question shall be to put an end to all debate; to prevent the offering of additional amendments and to bring the House to an immediate vote upon the measure and amendments aforesaid. The previous question may be ordered by a majority of the members elected. On the call of the roll, no member shall be allowed to speak more than three minutes to explain his vote and shall not speak at all if the question is not a debatable question. After the previous question has been ordered, and before the vote upon the main question, the opponents of the measure shall have ten minutes, and proponents of the measure shall have ten minutes.

Rule 13. Motion to Set the Limits on Debate. A motion to set a time limit for debate on a measure, in excess of that permitted under Rule 12, shall be in order unless the previous question shall have been ordered on the measure. The time limit set for debate under this rule shall be allotted by the Speaker evenly between the opponents of the measure and the proponents of the measure. Adoption of a motion under this rule does not prevent the offering of additional amendments.

Rule 14. Motion to Reconsider. A motion to reconsider a vote shall not be in order unless made by a member who voted upon the prevailing side of the question; nor shall such motion be in order unless made within two legislative days in which the House is in session next after the date the vote was taken; however, the motion to reconsider when coupled with the additional motion to lay that motion upon the table may be made by any member.

Rule 15. Motion to Lay on Clerk's Desk. The effect of the adoption of a motion to lay on the Clerk's desk under these rules is to place in charge of the Clerk the pending question and everything adhering to it. A motion laid on the Clerk's desk may be taken from the desk and proceeded with at any time in the same order as when laid on the Clerk's desk.

Rule 16. Motion to Strike Out Enacting Clause. A motion to amend by striking out the enacting words of a bill or resolution shall have precedence over a motion to amend; and, if adopted, shall have the same effect as though the bill or resolution were regularly voted upon and rejected.

Rule 17. Motion to Separate Part of a Measure. A motion to commit, recommit, or postpone a part of a measure so as to separate that part of the measure from the remainder shall not be in order.

Rule 18. Postponement of Measure. When a measure shall have been postponed indefinitely it shall not be in order again during the session.

Rule 19. Reading of Pending Papers. Any pending bill, resolution, motion or report shall be read by the Clerk upon the demand of any member, but it shall not again be read on the same day unless so ordered by the House.

Rule 20. Nominations. In all elections a previous nomination shall be made.

MEMBERS

Rule 21. Attendance of Members. No member shall absent himself from a session of the House without leave from the House. Written request for leave of absence may be obtained from the Clerk of the House and shall be submitted to the Speaker. The request shall state thereon the member's excuse for obtaining the leave. No excuse for leave of absence shall be heard from the floor.

Rule 22. Decorum of Members. No member shall designate another member by name.

Rule 23. Call to Order. If any member, in speech or otherwise, transgress the rules of order or decorum, he shall immediately be called to order by the chair and shall take his seat. The Clerk shall reduce the objectionable words to writing and read them to the House. After hearing a short explanation from the member called to order, or upon the withdrawal of the objectionable language, the Speaker may permit the member to proceed, or may compel silence upon him until the matter is disposed of. The ruling of the chair shall be subject to an appeal to the House. A member offending the House shall be liable to censure.

Rule 24. Debate. No member may speak more than once to the same subject until all members desiring to be heard have spoken, but nothing in this rule shall do away with the previous question if then in effect, nor permit debate on an undebatable motion.

No member shall speak more than thirty minutes in the aggregate on any question or measure, at the end of which period, or any portion thereof, the floor shall be returned to the Speaker.

Rule 25. Members Shall Vote at Seats. A member shall vote only when at his seat or visibly approaching it.

OFFICERS AND EMPLOYES

Rule 26. Duties of Speaker. The Speaker shall take the chair every day precisely at the hour fixed for the meeting of the House and on the appearance of a quorum, shall cause the Journal of the preceding day to be read, unless the reading of the same is dispensed with by the House.

The Speaker shall preserve decorum and order and, in the event of any disorder in the gallery or in the House Chamber, may cause the same to be cleared of any persons creating disturbances or disorders.

All writs, warrants, subpoenas or other processes shall be signed by the officer who may be presiding over the House when the paper is issued; and his signature shall be attested by the Clerk, when ordered by a majority of the members.

Rule 27. Appeal from Decision of Chair. The Speaker while presiding may speak to points of order in preference to members. He shall decide points of order and manner of procedure. If two or more members arise from their respective seats and address the chair, the Speaker shall determine who was first and recognize him.

Any decision made by the Speaker shall be subject to appeal to the House. Every such appeal shall be in writing and signed by at least two members. During the pendency of an appeal to the House from a decision of the chair, the Speaker shall vacate the chair and call the Speaker Pro Tempore to preside. When the Speaker Pro Tempore is presiding on an appeal to the House from a decision of the Chair, no motion or business shall be in order except the motion on appeal from the decision of the Chair, and that motion shall not be debatable.

Rule 28. Speaker Pro Tempore. The House shall elect a Speaker Pro Tempore. The Speaker Pro Tempore shall perform the duties of the Speaker when the Speaker is absent from the House or when empowered by the Speaker to perform the duties of the Chair.

Rule 29. Duties of Legislative Research Commission. The Legislative Research Commission shall have charge of all clerical, technical and procedural matters which relate to legislation including but not limited to: notification of committees of their appointment and business referred to them; keeping a calendar showing such bills as are entitled to their second reading each day, distinguishing between House and Senate bills; superintend the engrossing and enrolling of bills; and such other matters as are assigned by the Committee on Committees.

Rule 29A. Duties of Clerk. The Clerk shall have charge of clerical and administrative functions not assigned to the Legislative Research Commission and shall cooperate with LRC to facilitate the work of the House. The Clerk shall read to the House papers ordered to be read; call the roll and note the answers of members when a question is taken by yeas and nays; assist the Speaker in taking the count when any vote of the House is taken; attest all writs, warrants and subpoenas issued by order of the House; certify to the passage of all bills and to the adoption of all joint and concurrent resolutions by the General Assembly; and make all reports to the Senate. The Clerk shall perform such other duties as are assigned by the Committee on Committees.

Rule 30. Journal of Proceedings. The Legislative Research Commission shall cause to be kept the Journal of the proceedings of the House. The Commission staff shall note upon the Journal all questions of order, together with the disposition of same, and the dates upon which all bills and resolutions were sent to committee and returned to the House. The House may correct errors in the Journal the day the Journal containing errors is presented to the House. No record which is in the hands of the Commission staff and is required by law to be entered upon the Journal of the House shall be copied by any person until same shall have been entered upon the Journal and said Journal shall have been approved.

Half an hour before the time fixed for the meeting of the House each day, the Commission staff shall be present at the Clerk's desk with the Journal of the preceding session for inspection of any member of the House.

The Journal for each day, as soon as it has been approved by the House, shall be delivered by the Commission staff to the public printer. The Commission staff shall proofread and index the Journal upon return from the printer and make necessary typographical corrections.

Rule 31. Custody of Papers. The Legislative Research Commission shall have custody of all records, minutes, reports, and documents pertaining to legislation, and shall not allow them to be taken from its possession without the leave of the House, unless to be delivered to the chairman of a committee to which they have been referred. The Legislative Research Commission shall cause to be enclosed on bills and papers brief notes of proceedings had thereon by the House and preserve the same in convenient files for reference.

Rule 32. Accounts of Expenditures. The Legislative Research Commission shall keep the accounts for pay and mileage of members, officers and attaches, and for printing and other contingent expenses of the House and Senate.

Rule 33. Printing of House Papers. The Legislative Research Commission shall have supervision and charge of all printing done for the House as certified by the Clerk and the public printer shall print only such documents and other matter as the Legislative Research Commission authorizes. The clerk shall report to the Speaker every failure to execute printing work correctly and promptly.

Rule 34. Duties of the Sergeant-at-Arms. It shall be the duty of the Sergeant-at-Arms and the Doorkeeper to exclude or remove all persons not entitled to the floor of the House. One hour before convening of the House each day the Sergeant-at-Arms shall announce in a loud, distinct voice: "All persons not entitled to the floor of the House under the rules thereof will now vacate the House Chamber." He shall then compel all persons who are not entitled to remain therein to leave the House Chambers and shall prohibit their entry until one hour after the House has adjourned.

Rule 35. Conduct of Employes. All the constitutional employes of the House, shall, one hour before the meeting of the House each day, report to the Clerk, who shall report to the Committee on Committees whether or not all of said employes are on duty. The Committee on Committees, whenever it deems it necessary, shall report to the House any dereliction of duty.

Rule 36. Other Employes. All other professional, clerical and other services required by the House or its committees shall be furnished by the Legislative Research Commission, upon the request of the Committee on Committees. Employes performing such services shall be under the supervision of the Committee on Committees.

No officer or employe of the House shall receive any fee, tip or compensation from any member and violation of this rule shall be ground for dismissal.

COMMITTEES

Rule 37. Committee on Committees. There shall be a Committee on Committees composed of the Speaker of the House, the Speaker Pro Tempore, the Majority Caucus Chairman, the Majority Floor Leader of the House, the Majority Party Whip, and the Minority Floor Leader of the House. The Speaker shall be Chairman of the Committee and the majority of said Committee shall have full power to act on all matters referred to said Committee, either by these rules or by the action of the House. All bills and resolutions, either joint or concurrent, shall upon their introduction, be automatically referred to the Committee on Committees who shall refer same to the proper Committee not later than the second day in which the House is in session after the date of introduction.

The Committee on Committees shall have supervision and control over all employes of the House, whether elected by the House or provided by the Legislative Research Commission, and the Committee on Committees shall see that they perform all of their duties to the House and the members thereof. The Committee on Committees is empowered to discharge any or all said employes and officers except the constitutional officers of the House. The Committee on Committees shall appoint the members of all standing and special committees and shall fill any vacancies thereon in accordance with Rule 39.

Rule 38. Standing Committees. The following shall be the standing committees of the House.

1. Agriculture and Small Business
2. Appropriations and Revenue
3. Banking and Insurance
4. Business Organizations and Professions
5. Cities
6. Counties and Special Districts
7. Education
8. Elections and Constitutional Amendments
9. Energy
10. Health and Welfare
11. Judiciary

12. Labor and Industry
13. Natural Resources and Environment
14. State Government
15. Transportation

Rule 39. Appointment of Committees. The Committee on Committees shall appoint the Chairman, Vice Chairman and the members of all standing and special committees and shall fill any vacancies thereon. In making such appointments to standing committees the Committee on Committees shall appoint a member with service in the immediately preceding regular session to at least one committee on which the member served in such previous regular session. Such appointment to the one committee shall be at the preference of the member, and the Committee on Committees shall be bound by the member's preference for that one committee. A member of the Committee on Committees shall not serve as chairman of a standing committee. The Committee on Committees shall select members of each standing and special committee in proportion to the representation of each political party in the House. The Vice Chairman shall act in the absence of the Chairman. The Chairman of any committee may appoint subcommittees to conduct hearings or study any matters which have been referred to the committee..

Before the Committee on Committees shall appoint the members of standing and special committees the number of members on the committee to be appointed shall be announced to the House. At the same, the Committee on Committees shall announce the number of members of the committee to be appointed from the majority party and the number of members to be appointed from the minority party.

The Committee on Committees shall not appoint more than seventeen (17) members to any one standing committee. Every member of the House shall be appointed to at least one standing committee and no member shall be appointed to more than three of the following committees: all standing committees and the Committee on Committees.

In appointing the membership of standing committees, the Committee on Committees shall consider the predominant business interests or occupation of each member so that the private interests of a majority of a committee's members do not correspond to the jurisdiction of the standing committee.

Rule 40. Jurisdiction of Standing Committees. The Committee on Committees shall refer each bill to the Committee with control over the subject matter. All bills and resolutions on the same subject matter shall be referred to the same committee. The general jurisdiction of the several standing committees shall be:

1. Agriculture and Small Business: matters pertaining to crops, livestock, poultry and their marketing; disease control and warehousing; tobacco; stockyards; agricultural cooperatives and marketing associations; agriculture weights and measures; the state fair; county fairs; all matters not specifically assigned to another committee relating to administrative, regulatory or operating issues which, because of their smaller size, uniquely impact small business.

2. Appropriations and Revenue: matters pertaining to the executive budget and other appropriations of state monies; the levying of state and local taxes, including school taxes; property tax rates and assessments; the state debt; revenue bond projects; veterans bonus; claims upon the treasury; accounting of state funds by local officers; audits for state purposes; budget and financial administration; payment, collection and refund of taxes.

3. Banking and Insurance: matters pertaining to banking; banks and trust companies; petty loan companies; building and loan associations; credit unions; investment companies; industrial loan corporations; securities; the blue sky law; mortgage guaranty insurance; assessment and cooperative insurance; fraternal benefit societies; hospital service corporations; burial associations; medical and dental service corporations; life, accident, indemnity and other forms of insurance; stock and mutual insurance companies; banking and insurance aspects of the uniform commercial code; interest and usury; pawnbrokers; private credit; consumer credit; sale of checks; installment sales contracts; legal investments; principal and income.

4. Business Organizations and Professions: matters pertaining to professional licensing not assigned specifically to another committee; chambers of commerce; business development corporations; racing; prize fighting and wrestling; places of entertainment; laundry and dry cleaning; alcoholic beverage control; private corporations; cooperative corporations and marketing associations; religious, charitable and educational societies; nonprofit corporations; professional service corporations; cemeteries; barbers and cosmetologists; professional engineers and land surveyors; architects; real estate brokers and salesmen; public accountants; watchmakers; detection of deception examiners; auctioneers; business schools; the business regulation aspects of the uniform commercial code; warehouses and warehousemen; partnerships; trade practices.

5. Cities: matters pertaining to the officers, organization, government and financing of city government; special purpose assessment and taxing districts within a city; incorporation and classification of cities; city revenue bond projects; the imposition of duties and costs on cities; city taxes and licenses; city indebtedness; compensation of city officers; metropolitan sewer districts; interlocal government cooperation; housing projects; urban renewal and redevelopment; city streets and sidewalks; sewers; annexation of territory; consolidation of local government services; forms of city government; city civil service; city finances and revenue;

public works; police and fire departments and their retirement systems; parks and playgrounds; planning and zoning; acquisition of waterworks and water districts by cities; financing of municipal improvements; urban service districts; police court and city attorney; city libraries.

6. **Counties and Special Districts:** matters pertaining to the officers, organization, government and financing of county governments; county imposed taxes and licenses; county and special districts not assigned to another committee; the powers, duties and composition of fiscal court; compensation of county officers and employes; the offices of county judge, magistrates, county attorney, sheriff, constable, county police, jailer, coroner, surveyor, county clerk; county employes civil service and retirement; planning and zoning; interlocal cooperation and consolidation of services; county roads; public road districts; water districts; fire protection districts; issuance of bonds for county and special district projects; metropolitan sewer and sanitation districts; local air pollution control districts; county and county law libraries; library districts.

7. **Education:** matters pertaining to public primary, secondary and higher education; the state board of education; the state department of education; the powers and duties of local boards of education; conduct of schools; attendance; state support of education; the operation of school districts, teacher's qualifications and tenure; the school curriculum; teachers' retirement; school employes; pupil transportation; school property and buildings; vocational education and rehabilitation; state universities and colleges; community colleges; municipal universities and colleges; regional education; education of the physically handicapped; educational television.

8. **Elections and Constitutional Amendments:** matters pertaining to the proposing of constitutional amendments and the calling of a constitutional convention; ratification of amendments to the United States Constitution; legislative and congressional districts; the election of officers to state, local and school board positions; election commissioners, officers and precincts; qualifications, registration and purgation of voters; conduct of regular elections; primary elections; presidential and congressional elections; special elections to fill vacancies; contest of elections; corrupt practices and election financing; election offenses and prosecutions; voting machines; absent ballots.

9. **Energy:** matters pertaining to privately owned public utilities; rates, permits, certification of convenience and necessity; water district rates; utilities in cities; public utility cooperatives; electric and gas utilities and cooperatives; oil and gas transmission companies; telephone companies and cooperatives; municipal utilities and water works; energy and fuel development; energy waste disposal; Utility Regulatory Commission and Energy Regulatory Commission; solar; thermo; nuclear; and gasohol.

10. **Health and Welfare:** matters pertaining to health and welfare in cities; fire prevention and protection; support of dependants; probation and parole; garbage and refuse disposal; public assistance; correctional penitentiaries; child welfare; adoptions; mothers aid and assistance to children; children's homes; incompetents; poor persons and poor houses; confederate pensions; aid to needy blind; commitment and care of children; mental health; health, medical and dental scholarships; local health units and officers; vital statistics; communicable diseases; tuberculosis hospitals; hospitals, clinics and personal care homes; foods, drugs and poisons; hotel, restaurants and trailer park regulations; sanitation plants; sanitation districts; frozen food locker plants; alcoholism; physicians, osteopaths and podiatrists; chiropractors; dentist and dental specialists; registered nurses and practical nurses; pharmacists; embalmers and funeral directors; clinical psychologists; optometrists, ophthalmic dispensers; physical therapists.

11. **Judiciary:** matters pertaining to contracts; debtor-creditor relations; ownership and conveyance of property; administration of trusts and estates of persons under disability; descent, wills and administration of decedents' estates; domestic relations; support of dependents; statutory actions and limitations; eminent domain; arbitration; summary proceedings; declaratory judgments; habeas corpus; witnesses; evidence; legal notices; crimes and punishments; construction of statutes; civil and criminal procedure; civil rights; matters pertaining to the Supreme Court, District Courts, the Court of Appeals, Circuit Courts, County and Probate Courts, Quarterly Courts, Justices of the Peace Courts, and Police Courts; jurisdiction, rules terms, judges, commissioners, selections, districts, qualifications, compensation and retirement; clerk of courts; juries, attorneys; commissioners and receivers; court reporters; and juvenile courts.

12. **Labor and Industry:** matters pertaining to commerce not specifically assigned to another committee; industrial financing and development; labor unions; collective bargaining; liquefied petroleum gas and other flammable liquids; hotels, electricians; plumbers and plumbing; wages and hours; garnishments; safety and health of employes; child labor; employment agencies; apprenticeship; unemployment compensation; workmen's compensation; consumer protection; industrial weights and measures.

13. **Natural Resources and Environment:** matters pertaining to forestry; mining; fish and wildlife resources; soil and water conservation; flood control and water usage; drainage and irrigation; geology and water resources; waterways and dams; oil, gas and salt water wells; state and national parks; drainage districts and local flood control and water usage; water pollution; air pollution; Department of Natural Resources.

14. **State Government:** matters pertaining to the sovereignty and jurisdiction of the Commonwealth; the general assembly, its committees, officers and service agencies; redistricting; the governor; the lieutenant governor; intergovernmental cooperation; relations with the federal government; administrative organization;

administrative regulations; statutory administrative agencies; department of law; secretary of state; state personnel; state retirement systems; military affairs and civil defense; public property and public printing; public officers, their terms, appointments, fees, compensation, removal, oaths and bonds; public information; state and regional planning; the arts; the libraries; archives and records; public corporations; commonwealth attorney; circuit clerk.

15. Transportation: matters relating to airports and aviation; boats and boating; licensing of motor vehicles; operators and trailers; financial responsibility law; nonresident motorists; motor vehicle sales; railroad rates, service and operating regulations; motor carriers; matters pertaining to the construction and maintenance of the state highway system; the Department of Transportation; state aid for local roads and streets; the state police; the Federal Highway safety law; turnpike authority; state and federal highways; limited access facilities; use of road bond monies; bill boards; automobile recyclers; highway beautification; bridges, tunnels and ferries; traffic regulations; vehicle equipment and storage; driver training schools.

Rule 41. Rules Committee. There shall be a Rules Committee composed of the Speaker of the House, the Speaker Pro Tempore, the Majority Floor Leader, the Majority Caucus Chairman, the Majority Party Whip, the Minority Floor Leader, the Minority Caucus Chairman, the Minority Party Whip, and not less than nine nor more than twelve members appointed by the Committee on Committees. All bills and resolutions having been reported out of the committee to which referred and having received their second reading shall be referred to the Rules Committee. The Rules Committee may refer any bill or resolution before it back to a standing committee. Provided, however, that such recommitment shall be accompanied by an explanation of the reason therefor, and that no bill or resolution shall be referred back by the Rules Committee on more than one occasion. All meetings of the Rules Committee shall be open to members of the House and to members of the Capitol Press Corps only. No electronic devices of any nature including cameras and recording devices shall be allowed in the committee room or to be used therein by any person while the Rules Committee is in session. No bill may be kept in Rules Committee for longer than five (5) legislative days. Within that time each bill must be reported to the floor or referred back to a standing committee.

The Majority Floor Leader shall while the Rules Committee is in session call bills and resolutions and shall call the same for consideration by the Rules Committee. A bill or resolution may be placed for consideration in the first order of business at the next regular Rules Committee meeting by a majority of the membership voting for such consideration.

Each member shall be given an opportunity upon request to appear before the Rules Committee when a bill of which he is a sponsor or co-sponsor is under consideration including the subsequent vote thereon. No measure shall be posted in the Orders of the Day for final passage except by order of the Rules Committee unless otherwise ordered posted for the next succeeding legislative day by a majority of the members voting. The Rules Committee shall arrange the Orders of the Day so that all measures shall appear thereon for the consideration of the House, but the Rules Committee may not place in the Orders of the Day any bill or other measure in the possession of a standing or special committee of the House. The Rules Committee, prior to each day's session, shall post a notice in a regular place in the House Chamber listing the bills to be considered that day in the Orders of the Day. Should the House not complete any day's Orders of the Day, the bills and resolutions remaining unconsidered shall go to the top of the Orders of the Day on the next day that Orders of the Day are considered.

The Speaker of the House shall act as Chairman of the Rules Committee. The Majority Floor Leader of the House shall act for the Rules Committee in calling from the Orders of the Day any bills or resolutions in the order he deems proper and shall be recognized by the Speaker for said purpose during all times that the Rules Committee is in charge of posting the Orders of the Day. The Speaker Pro Tempore shall act as chairman in the absence of the Speaker.

Rule 42. Enrollment Committee. The Committee on Committees shall appoint an Enrollment Committee of not more than seven members. The Enrollment Committee shall be responsible for the engrossment and enrollment of bills and resolutions under the Rules of this House.

Rule 43. Committee on Conference. When a House bill has been amended in the Senate and the House refuses to concur in said amendment, or when a Senate bill has been amended in the House and the Senate refuses to concur in said amendment and when neither will recede from such action, the Committee on Committees shall appoint a Committee on Conference to meet a like committee from the Senate. The Committee on Conference shall confer with the Senate Committee and report back to the House within a reasonable time, in the same manner as reports are made for House bills, provided that the amendment as agreed upon shall pertain to the same subject matter as the original bill referred to the Committee on Conference. The conference report shall be voted upon, and, if adopted the bill shall immediately be put upon its final passage.

Rule 44. Meetings of Committees. No committee except the Committee on Committees, the Committee on Enrollment and a Committee on Conference between the House and the Senate shall sit while the House is in session, unless by consent of the House. The Committee on Committees and Committee on Enrollment may report at any time except during roll call or while a vote is being taken.

The Committee on Committees, in conference with committee chairmen, shall schedule a definite time and place for the regular weekly meetings of each committee, such schedule to be posted in the House Chamber and published in the Legislative Record. A committee shall meet at the regular weekly scheduled time and place so long as business is pending before the committee. Nothing herein shall prevent the Chairman or a majority of any committee from calling a special meeting in addition to those regularly scheduled.

The Chairman shall keep a record of the attendance of members at meetings, which record shall be filed with the Clerk.

The Director of the Legislative Research Commission, under the direction of the Committee on Committees, shall assign a secretary to each committee and provide any professional, clerical or other employes required by any committee.

The Committee on Committees shall meet on call of the Speaker or on call of a majority of the members of the Committee on Committees.

Rule 45. Committee Reports. No bill or resolution shall be considered by the House except on report of committee. Upon the call of standing committees, the Clerk or the Chairman or ranking member of the committee may report the bill in the following manner:

"With the expression of opinion that the same should pass," or

"With the expression of opinion that the same should pass, with the committee amendment attached thereto," or

"With the expression of opinion that the same should pass, with the committee substitute attached thereto," or

"With the expression of opinion that the same should not pass."

Rule 46. Majority and Minority Reports. It shall require a majority of the committee membership to report a bill. Those members of the committee voting to report a bill must sign the committee report and the committee report shall only be signed in the committee room and while the committee is in session.

A committee report may be accompanied by a minority report, signed by those members who have dissented from the committee's report, and it shall be in order to move the adoption of the minority report as a substitute for the committee's report when the committee offers its report. It shall require a majority of the members elected to adopt the minority report. The Committee's report shall always be read before the minority report is read.

Rule 47. Failure to Report. Whenever a committee fails or refuses to report within a reasonable time a bill submitted to it, any member may by filing with the Clerk a written request signed by twenty-five or more members, call the same up for consideration on the next succeeding legislative day after the filing of said request. If a majority of the members elected to the House concur therein, the bill shall be considered as though it had been regularly reported.

Rule 48. Procedure in Committee. The rules of procedure in the House shall be observed in committee insofar as the same are applicable. The committee chairman, or the committee by majority vote in a regularly called meeting, shall post at least three calendar days prior to their consideration the bills and resolutions to be considered by the committee at its next meeting provided that no bill or resolution shall be posted by the chairman or the committee by a majority vote unless and until a request for posting form has been filed with the committee chairman or secretary and approved as containing satisfactory information by the committee chairman. No measure shall be considered except those posted. A list of the measures to be considered shall be filed with the Clerk at least three calendar days prior to the meeting.

BILLS AND RESOLUTIONS

Rule 49. Form of Bills. All bills introduced shall be typewritten on the Automated Legal Text Entry and Revision System of the Legislative Research Commission, and none otherwise prepared shall be accepted for introduction. Bills shall be offered as one original and three distinctly legible copies. Identical bills for introduction in the other chamber may be exact reproductions of original bill provided one copy is authenticated by the Director of the Legislative Research Commission as the original to be introduced in the other chamber. The original shall be the official bill, and shall be retained by the Legislative Research Commission staff for the use of the House until engrossed and sent to the Senate. One copy shall be used by committees; one copy shall be for the use of the press and shall be given to a person designated by the press club; and one copy shall be retained by the Legislative Research Commission for its work file. Each copy shall be backed with a protective cover, as provided for this purpose by the Legislative Research Commission. The title of the bill, or a portion thereof, and the signature of the member introducing the bill shall be placed on each cover.

In all bills, as introduced and as printed, which seek to amend existing sections of the Kentucky Revised Statutes, any new matter contained therein shall be underscored; and when an amendment proposes the omission or elimination of matter in an existing law, such omission or elimination shall be indicated on the typewritten bill and on the printed bill by placing the material proposed to be eliminated in brackets. The Legislative Research Commission staff shall see that all bills introduced conform with the Automated Legal Text Entry and Revision System method of preparation. The Enrolling Clerk in enrolling a bill which contains deleted material appearing in brackets shall strike over such deleted matter.

Rule 50. Introduction of Bills. Bills and resolutions may be introduced by filing them with the Bill Registry Clerk in the Clerk's office at any time the Clerk's office is open. Bills and resolutions introduced by filing them in the Clerk's office with the Bill Registry Clerk after the House has concluded Item 4, in Rule 4, Order of Business, shall be considered as having been introduced the next succeeding legislative day. The Bill Registry Clerk shall number bills in the order received, record their introduction, and transmit a copy immediately to the Committee on Committees for reference to committee. No bill or resolution having the force of law shall be introduced after the thirty-eighth legislative day of the session. The last two legislative days preceding the veto recess shall be reserved by the House exclusively for the business of concurring in amended House bills.

Rule 51. Fiscal Note Required. A sponsor of a measure may at any time prior to the filing of a request for posting form require a fiscal analysis to be made by the Legislative Research Commission upon the same and a fiscal note attached thereto.

The chairman of the committee to which the measure has been referred may, at any time after a request for posting form is filed with the committee by the sponsor, determine that a fiscal analysis is required on any measure not carrying a fiscal note. The chairman upon such determination shall cause a fiscal analysis to be made by the Legislative Research Commission and a fiscal note attached prior to posting the measure for consideration.

After posting the measure a majority of the committee may determine that a fiscal analysis is required on any measure not already carrying a fiscal note and shall direct the same to be accomplished and fiscal note attached with all dispatch. A committee may consider any measure on the date for which it is posted even if it is determined by the committee on that date that a fiscal analysis is required, however, no final action shall be taken by the committee upon said measure until a fiscal note is presented to the committee and attached to the measure.

Any member proposing to amend from the floor a bill or resolution which carries a fiscal note or if the proposed amendment itself carries a fiscal implication, the member proposing the amendment shall cause a fiscal analysis of the amendment to be made and a fiscal note attached to the proposed amendment at the time of introduction. In the event an amendment is introduced without a fiscal note, any member may raise the question of fiscal implication to the amendment by a motion and by majority vote require a fiscal analysis to be made and a fiscal note attached to the amendment. If a fiscal analysis and note is required by the membership, action on the bill or resolution to be amended along with the proposed amendment shall be passed over in the Orders of the Day but retained in the Orders of the Day. A fiscal note required by the membership shall be filed and attached to the amendment prior to the convening of the session of the next legislative day. In the event it is impossible to complete the analysis and prepare a fiscal note before the convening of the session on the next legislative day, the Director of the Legislative Research Commission shall so advise the membership by letter and state a time in which the same can be completed and filed with the House.

If the Director of the Legislative Research Commission certifies that the fiscal note cannot be completed within the prescribed time, the amendment shall not be in order unless the members, by majority vote, determine either: (1) act on the amendment and the bill or resolution without the benefit of the fiscal note, or to (2) pass over the bill or resolution in the Orders of the Day and allow it to be retained in the Orders of the Day until the fiscal note is filed.

Rule 52. Proposed Administrative Regulations. (1) Before committee consideration of any bill originating in the House, which contains the authority for any agency, board or political subdivision of state government to promulgate regulations, the bill shall have attached a copy of a statement of legislative intent for the bill, including a summary of guidelines to be followed in preparing regulations pursuant to the bill.

Every committee shall have the exclusive right to determine whether the summary submitted meets the requirements of this rule. The committee may waive the provisions of this rule by majority vote, and shall acknowledge on its committee report the receipt of and consideration of the matters submitted with the bill pursuant to this rule.

The purpose of the requirements of this rule is to inform the House of the general scope of the regulations authorized by the bill and to provide a permanent record of legislative intent; and pursuant thereto, when any bill subject to the provisions of this rule becomes law the Director of the Legislative Research Commission shall cause to be filed with the Administrative Regulation Review Subcommittee of the Legislative Research Commission the summary of the regulations submitted with the bill to be used by the Administrative Regulation Review Subcommittee when reviewing regulations promulgated pursuant to the bill. The Administrative Regulation Review Subcommittee shall use the material submitted with the bill to determine legislative intent.

Nothing contained in this rule shall preclude the promulgation of regulations differing from those filed or summarized and submitted with the bill.

(2) This amendment of the Rules of the House of Representatives shall apply only to bills introduced after the 1978 General Assembly.

Rule 53. Reference of Bills. The Committee on Committees shall refer all bills to the proper standing committee not later than the second day in which the House is in session after the date of introduction. When a House bill has been amended in the Senate and has been returned to the House for concurrence in the amendment, it may be referred to a committee in the same manner as original bills are referred. Bills originating in and passed by the Senate when reported to the House shall be referred to the Committee on Committees and shall take the same course as other bills.

Rule 54. Printing of Bills. Upon receipt of a bill, the Legislative Research Commission shall examine the form of the bill to ensure that it is free from errors of form or typography and has been assigned the proper KRS section or chapter numbers. If a formal change is necessary the Commission shall request the sponsor of the bill to sign a form approving the specified changes. If a bill is found to be correct, or corrections have been approved, the Commission shall authorize its printing.

The Legislative Research Commission shall have printed at least two hundred copies of each bill or resolution carrying the force and effect of law introduced in the House and of each bill or resolution carrying the force and effect of law acted on by the Senate and reported to the House. Bills shall be printed in the order in which they are introduced and shall be distributed to members immediately upon receipt from the printer.

Rule 55. Readings of Bills. If a bill be reported with the expression of opinion that it should not pass a vote may then be taken on whether it shall be read at length and be placed on the Calendar, if a majority of the members elected to the House shall concur therein. When reported favorably by the committee, the bill shall then be given its first reading at length and shall be placed by the Commission staff upon the Calendar to be kept by the staff, and shall then be entitled to its second reading the next succeeding legislative day.

Every bill shall be read at length on three different legislative days; but the second and third readings thereof at length may be dispensed with by a majority of all the members elected to the House and the bill read by its title.

Rule 56. Calendar; Consent Calendar. (1) In order to reduce the time required for final passage of bills posted in the Orders of the Day, a consent procedure for the consideration of uncontested bills shall be established and designated as follows:

(a) The Commission staff shall keep a Regular Calendar and a Consent Calendar for each legislative day showing the bills receiving their second reading.

(b) The Commission staff shall also keep a Regular Orders and a Consent Orders showing bills posted for final passage by the Rules Committee.

(2) Bills reported by a Standing Committee with a regular "should pass" or "should pass with committee amendment/substitute attached" recommendation shall be shown in the Regular Calendar on the day on which they are entitled to a second reading.

(3) A Standing Committee may at the time of favorably reporting any House or Senate Bill, recommend that it be placed in the Consent Calendar provided:

(a) The primary sponsor has so requested when it is a House Bill, and

(b) The bill receives a "should pass" or "should pass with committee amendment/substitute attached" recommendation from such committee by a unanimous vote of the members present.

Any House or Senate Bill thus reported shall be first placed in the Consent Calendar on the day on which it is entitled to a second reading and shall continue to be shown in said Calendar until taken therefrom by the Rules Committee and posted in the Consent Orders. Bills receiving a second reading should be so designated to distinguish them from bills which have already received their second reading.

(4) A certificate shall be attached to each bill recommended for the Consent Calendar showing the request of the sponsor of any House Bill, and the unanimous recommendation of the members present signed by the Chairman.

(5) After a sufficient number of bills have accumulated in the Consent Calendar, the Rules Committee may post any or all of said bills to the Consent Orders for a day certain. On that day certain the Consent Orders shall be called before the Regular Orders.

(6) Upon the call of the Consent Orders each bill in said Orders shall be given a third reading by title only. The Speaker shall then allow a reasonable time for questions from the floor and any explanation necessary by the sponsor or committee chairman. Consent Order bills may not be amended from the floor.

(7) The Commission staff shall attach a roll call to each bill in the Consent Calendar and any member may at any time prior to passage of the Consent Orders record with the Commission staff his "nay" or "pass" vote on any bill within the Consent Calendar or Consent Orders.

(8) The vote on the Consent Orders shall be taken by use of the Electrical Voting System.

(9) Upon the written petition of any five members objecting to the placement or retention of any bill in the Consent Calendar or Consent Orders, such bill shall cease to be so considered and shall be placed in the Regular Calendar or Regular Orders as provided in these rules.

Rule 57. Orders of the Day. When a bill has had its second reading it shall be placed in the Orders of the Day, or be recommitted, and when next reached in the House it shall be ready for recommitment, or to be read a third time and placed upon its passage, and the Speaker shall so announce to the House.

A bill may be recommitted or amended in accordance with these rules at any time before its passage. Bills shall be placed in the Orders of the Day in the order in which they have been given their second reading, and shall be taken therefrom in accordance with Rule 41. When a House bill is in the Orders of the Day, it shall be in order on motion of the author to substitute for it an identical Senate bill which is in the Calendar of the House.

No bill shall be taken from the Orders of the Day unless it shall have been printed and previously distributed to members.

Rule 58. Final Passage. When a House bill has been amended in the Senate and the House has concurred in the amendment, the bill as amended shall immediately be placed upon its passage.

Rule 59. Amendments to Bills. All amendments offered shall be on sheets with a proper heading printed in black, furnished by the Commission staff, and shall bear the signature of the members offering the same. All amendments shall give the proper page and line of the printed bill. Three copies of each amendment shall be introduced. No amendment shall be in order that is not germane to the matter under consideration and unless it shall have been printed and previously distributed by the Clerk to members at least one legislative day prior to consideration of the bill or resolution and unless it complies with Rule 51 relative to fiscal analysis; and the Speaker, when the question is raised, shall rule as to the admissibility of the proposed amendment, subject to appeal to the House.

Rule 60. Engrossment of Bills. Every House bill and joint resolution, together with the amendments thereto, which has been passed by the House and not subject to further amendment or motion, shall be engrossed by the Commission staff and so certified by the Clerk, endorsing thereon the day of passage or adoption. The bill shall be delivered to the Senate in open session by the Clerk or someone designated by him, and Senate concurrence asked therein. A like procedure shall be observed toward Senate bills.

When engrossing a bill, the Commission staff may incorporate amendments by means of typing only. When an amendment strikes out any part of the original it shall be indicated in the engrossed copy by one parallel line over the part to be stricken out, in such a way as not to render illegible the original words.

Rule 61. Enrollment of Bills. All House bills and resolutions which have passed both the Senate and the House shall be delivered by the Commission staff to the Enrolling Clerk, taking a receipt therefor, in the order in which passed. The Commission staff shall keep the number and title of all bills and joint and concurrent resolutions carrying the force and effect of law, passed by the House of Representatives and the Senate in a suitable record book attesting the fact and date of passage.

In the event a bill which originates in the House is amended by the Senate and the House concurs in the amendments proposed and adopted by the Senate, the Commission staff shall engross said amendments in the original copy of the House bill, attested by the Clerk, before delivering the bill to the Enrolling Clerk of the House. The Enrolling Clerk shall then cause the original bill as attested by the Chief Clerk and the safety copy of the bill as delivered from the Senate to conform to each other by typing in indelible typewriter ink or by writing in red ink the amendments engrossed in the original bill in the safety copy. In cases of extreme emergency and during the last three days prior to sine die adjournment, where no correct printed copy is available, the Enrolling Clerk may enroll such bill or resolution by typing the same on safety paper or by enrolling the same in long-hand.

The original bill or resolution and a printed copy upon safety paper in the exact form as finally passed shall be certified to by the Enrolling Clerk and delivered to the Committee on Enrollment. The Committee on Enrollment and the Enrolling Clerk shall jointly compare the original bill with the enrolled copy, and if the enrollment is ascertained to be correctly done, the Committee shall report the same to the House. If any bill or resolution is found not correctly enrolled, it shall be returned to the Enrolling Clerk to be properly enrolled and delivered to the Committee on Enrollment as is first provided herein.

Rule 62. Signing of Bills. The Enrolling Clerk of the House shall deliver the original and enrolled copies of House bills and resolutions signed by the Speaker to the Chairman of the Enrollment Committee of the Senate for presentation to the President of the Senate for his signature. When signed by the President of the Senate, the enrolled bill or resolution and the original copy thereof shall be returned by the Enrolling Clerk to the Clerk of the House who shall present the enrolled bill or resolution to the Governor for his approval and take his receipt for same.

Rule 63. Resolutions. Resolutions having the force and effect of law shall be treated and considered as bills in all respects under these rules. However, simple resolutions expressing the will of the House and all resolutions recommending a study by an interim committee may be considered for adoption after receiving a recommendation from a standing committee and being posted for passage by the Rules Committee. All resolutions recommending a study by an interim committee shall include an approximate cost of the proposed study.

Rule 64. Legislative Citations. For the purpose of extending the commendations, condolences or congratulations of the General Assembly to a particular person, or to recognize a particular event or occasion, there may be issued a "Legislative Citation." Citations may not be used for procedural matters, matters of a controversial or partisan political nature, nor in place of resolutions memorializing the U.S. Congress, but only when appropriate to express the feeling of the House or of the General Assembly with reference to a person or event.

Each such citation shall be prepared in single copy on an artistically designed form, suitable for framing, shall bear the signature of the sponsor and the name of the person or event cited, and upon adoption shall be spread at length upon the Journal. Citations shall be considered in the order of business "Motions, Petitions and Communications," and without objection shall be adopted *en bloc* after reading individually by title. Citations shall be offered for consideration through presentation to the Clerk.

A resolution shall not be accepted for introduction if offered in lieu of a Legislative Citation.

VOTING

Rule 65. Roll Call. Any member, with a second, may demand a roll call on any matter pending before the House. The names of members shall be arranged alphabetically when taking a yea and nay vote.

Any time these rules require a roll-call vote, or a yea and a nay vote of the members, such vote may be taken by either a voice roll call or the electrical voting system, as ordered by the Speaker.

The Speaker, before each roll-call vote is taken, shall instruct the Clerk to sound the warning chimes installed in that part of the Capitol assigned to the use of the House. No roll-call vote shall be started until two minutes after the warning chimes have been sounded.

Rule 66. Electrical Voting System. When the House is ready to vote upon any question requiring a roll call, and the vote is to be taken by the electrical roll call system, the Speaker shall announce:

"The question is on the passage of (designating the matter to be voted upon). All in favor of such question shall vote 'yea,' and all opposed shall vote 'nay.' The House roll is now open for voting."

The Speaker shall recognize any member who rises for the purpose of explaining his vote. No member shall be allowed to speak more than three minutes to explain his vote, and shall not speak at all if the question is not a debatable question.

When sufficient time has been allowed the members to vote and to explain their vote, the Speaker shall announce: "Have all voted?" "Does anyone desire to change his vote?" And after sufficient pause shall lock the roll call system and instruct the clerk to record the vote. It shall be the responsibility of each member to determine the accuracy of his individual vote as registered opposite his name on the electrical roll call board and advise the Speaker of any desired change before the roll call system is locked.

The clerk shall immediately start the recording equipment, and when completely recorded, shall present the result to the Speaker who shall announce same to the House. The Clerk shall enter upon the Journal the result in the manner provided by the rules of the House.

At the same time the vote is recorded by the electric recording equipment an original and five duplicate roll call sheets shall be made showing the vote, two of which duplicates shall be for use of the press, and one copy shall be furnished to the Legislative Research Commission.

Rule 67. Voting for Others Prohibited. No member shall vote for another member, nor shall any person not a member cast a vote for a member. In addition to such penalties as may be prescribed by law, any member who shall vote or attempt to vote for another member may be punished in such manner as the House may determine. If a person not a member shall vote or attempt to vote for any member he shall be barred from the floor of the House for the remainder of the session and may be further punished in such manner as the House may deem proper, in addition to such punishment as may be prescribed by law.

Rule 68. Pairing. All pairs announced in the House shall be entered on the Journal.

Rule 69. Adjournment Extended During Roll Call. When the roll is being called in taking a yea and nay vote, and the hour of an adjournment arrives, the same shall stand extended until after said yea and nay vote has been completed and the result announced.

PRIVILEGE OF THE FLOOR

Rule 70. Persons Entitled to the Floor. No person shall be permitted upon the floor of the House when in session and two hours before and after the House is in session except the present members of the General Assembly and all officers and employes of the General Assembly. Bona fide newspaper correspondents designated in writing by the daily newspapers or press service they represent, shall be admitted to the floor when recommended by the Committee on Committees and shall be governed by the rules of the House and assigned by the Committee on Committees to a press section specifically set aside for them.

A special section of the gallery shall be reserved for the families and guests of members, who shall be admitted upon presentation of an identification card. Other persons shall be admitted to that part of the galleries not reserved for members' families. Members may submit the names of guests to the Clerk, who shall read the names to the House. Members shall not introduce guests from the floor.

Rule 71. Lobbying in the House Chambers. No person shall engage in lobbying for or against any measure while the House is in session, or in recess, in any of the corridors or passages or in any of the rooms in that part of the Capitol assigned to the use of the House, and no registered lobbyist shall enter that part of the Capitol while the House is in session. This rule shall not be construed to prohibit the use of the corridors or passages in going to and from the House galleries by any person.

Rule 72. Restrictions. No article, booklet, pamphlet or any other printed material shall be placed upon the desk of any member unless said article, booklet, pamphlet or other printed matter contains the signature of the author, or the party interested in the distribution thereof is clearly identified. All such articles, booklets, pamphlets or any other printed material shall conform to accepted public taste and shall contain no matter appealing to prurient interest or without redeeming social value. Such documents shall be delivered to the message room and shall upon direction of the clerk after inspection, be placed in the members' bin. The Sergeant-at-Arms shall be charged with the duty of inspecting such material and seeing that no individual other than employes of the House under the direction of the Clerk or House members shall cause materials of any nature to be distributed in the House Chamber. Questions as to the propriety of such materials shall be referred to the Committee on Committees for resolution. Any material found so distributed by unauthorized individuals shall be collected from the members' desk and treated as litter.

RULES

Rules 73. Mason's Manual. In the absence of a specific rule of the House, *Mason's Manual of Legislative Procedure* shall govern the proceedings, except that in all cases where general parliamentary law provides for a rule of two-thirds, it shall mean in this House a majority of all members elected thereto.

Rule 74. Change of Rules. The rules of the House, after their adoption shall not be altered, changed, amended, suspended or interrupted, unless the same be done by a majority of the members elected to the House. No rule shall be suspended for the purpose of any action affecting the passage of a bill or resolution carrying the force of law unless the rule is suspended by a majority of the members elected to the House and by a roll call vote. Whenever a rule is suspended, no measure shall be considered under suspension except the measure or measures in whose favor the suspension was invoked, and only for that day.

Representative B. Richardson moved the adoption of Floor Amendment No. 1 to **HR 17.** Agreed.

Representative B. Richardson moved the adoption of Floor Amendment No. 2 to **HR 17.** Agreed.

Representative B. Richardson moved that **HR 17,** as amended, be adopted.

HR 17, as amended, was adopted by voice vote.

Senate Message

Announcing passage of **SR 2, SB 57,** and **SB 15.**

Recess

Representative B. Richardson moved that the House recess for five minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications (continued)

Representative Clarke moved that the rules be suspended for the purpose of Posting Bills and Resolutions. Agreed.

Posting Bills and Resolutions for Consideration (continued)

The Clerk announced the following Bill has been posted for Committee consideration:

Appropriations and Revenue: **HB 210.**

Motions, Petitions, and Communications (continued)

Representative Turner moved the adoption of the following Legislative Citation No. 5:

The House of Representatives of the Commonwealth of Kentucky hereby honors the Dairy Farmers of Kentucky as our state's most essential, responsible and dedicated citizens whom we depend upon daily for our physical well-being. Kentucky is now ranked as one of our outstanding states in milk production, and we commend you, our excellent dairy farmers of this illustrious state for your tireless efforts, your courage and your concern for the general welfare of Kentucky's citizens. Your specialized performance with a specialized industry is necessary in sustaining our citizens for we realize that milk is a vital food for human consumption. The milk industry is a giant operation providing thousands of jobs and contributing thousands of dollars to Kentucky's treasury. This prestigious body, the House of Representatives, salutes the fine Dairy Farmers of Kentucky for your excellent services in providing a great industry that contributes so much to our state's welfare. (Sponsored by Representative Turner)

Agreed.

Representative Pearman moved that **HB 201** be withdrawn. Agreed.

Representative Smith moved that **HB 185** be withdrawn. Agreed.

Representative B. Richardson moved that the rules be suspended for a report of the Committee on Committees. Agreed.

The Clerk read the following list of members appointed to the Committee on Rules:

The representative from the 75th Leg. District, William G. Kenton.

The representative from the 23rd Leg. District, Bobby H. Richardson.

The representative from the 57th Leg. District, C. M. (Hank) Hancock.

The representative from the 71st Leg. District, Woody May.

The representative from the 68th Leg. District, William I. Donnermeyer.

The representative from the 10th Leg. District, William T. (Bill) Brinkley.

The representative from the 41st Leg. District, Mae Street Kidd.

The representative from the 21st Leg. District, Buddy H. Adams.

The representative from the 61st Leg. District, Clay Crupper.

The representative from the 2nd Leg. District, Lloyd E. Clapp.

The representative from the 31st Leg. District, Mark D. O'Brien.

The representative from the 59th Leg. District, Robert A. (Bob) Jones.

The representative from the 74th Leg. District, Adrian Arnold.

The representative from the 25th Leg. District, Allene A. Craddock.

The representative from the 64th Leg. District, Charles O. Petty.

The representative from the 69th Leg. District, Arthur L. Schmidt.

The representative from the 51st Leg. District, Herman W. Rattliff.

The representative from the 17th Leg. District, Willard C. (Woody) Allen.

The representative from the 80th Leg. District, William Harold DeMarcus.

The representative from the 63rd Leg. District, Louis DeFalaise.

Representative DeMarcus filed the following Floor Amendment No. 4 to **HR 17:**

Amend printed copy of **HR 17**, page 32, line 20, by inserting after the word "brackets." the following:

"In any bill seeking to repeal existing sections of the Kentucky Revised Statutes said sections sought to be repealed shall be identified by way of inclusion of the headnote applied to each such section as it appears in the Kentucky Revised Statutes."

Representative Clarke announced a meeting of the Committee on Appropriations and Revenue, Monday, January 21, 3 p.m.

Representative O'Brien announced a meeting of the Committee on State Government, Monday, January 21, one-half hour after adjournment, Room 9.

The Speaker announced a meeting of the Committee on Rules on adjournment, Room 307.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Blandford, **HB 123;** Representative Boswell, **HB 105, HB 125;** Representative Bronger, **HB 211, HR 23;** Representative Burnette, **HB 32, HB 125;** Representative Dunn, **HB 32;** Representative Fryman, **HB 125;** Representative Hancock, **HB 74;** Representative Heleringer, **HB 172, HB 190, HB 191;** Representative Plummer, **HB 96, HB 125, HB 136;** Representative Riner, **HB 32;** Representative Wright, **HB 32;** Representative Turner, **HB 125.**

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions. Agreed.

Introduction of Bills and Resolutions (continued)

HB 269, by Representative Weinberg: AN ACT relating to public officials.

HB 270, by Representative Richards: AN ACT relating to the date of primary elections.

HB 271, by Representatives Sales and Rapier: AN ACT relating to representative districts.

HB 272, by Representatives Stumbo, Stone, Little and Deskins: AN ACT proposing to amend Section 170 of the Constitution of Kentucky relating to property exempt from taxation.

HB 273, by Representative McKinney: AN ACT relating to master commissioners.

HB 274, by Representatives Nett, Kidd, Burch, Maynard and Heleringer: AN ACT relating to dairy product marketing.

HB 275, by Representative Nett: AN ACT relating to archaeology and making an appropriation therefor.

HB 276, by Representative Heleringer: AN ACT proposing an amendment to Sections 32, 72, 91, 100, 160, 209 of the Constitution of Kentucky relating to the age of all public officials.

HB 277, by Representatives Heleringer, Riner and Wright: AN ACT relating to fiscal courts.

HB 278, by Representatives Cyrus and Romines: AN ACT relating to insurance.

HB 279, by Representative Johnson: AN ACT relating to venue.

HB 280, by Representative Johnson: AN ACT relating to civil and probate jurisdiction.

HB 281, by Representative Johnson: AN ACT relating to motor vehicle equipment.

HB 282, by Representative Johnson: AN ACT relating to tourist and convention commissions.

HJR 27, by Representative B. Richardson: A JOINT RESOLUTION making an appropriation to the Legislative Research Commission for special expenses incurred in connection with sessions of the General Assembly and declaring an emergency.

Adjournment

Representative B. Richardson moved that the House adjourn until 10 a.m., Friday, January 18, 1980.

On the roll call the vote was yeas 72-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Haering, Hancock, Head, Heleringer, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, List, Little, Mann, May, Maynard, McBee, Moberly, Noe, O'Brien, Pearman, Petty, Plummer, Rapier, Rattliff, Richards, P. Richardson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 4-Boswell, Deskins, Holbrook, Overstreet.

The motion to adjourn was adopted.

FRIDAY, JANUARY 18, 1980

SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Dennis Jones, First Presbyterian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative DeFalaise.

Representative Isler moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 17, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 283, by Representatives Bruce and B. Richardson: AN ACT relating to revenue and taxation.

HB 284, by Representatives Cawood and Thomason: AN ACT relating to coal slurry pipeline companies.

HB 285, by Representative Little: AN ACT relating to teacher retirement.

HB 286, by Representative Little: AN ACT relating to automobile liability insurance.

HB 287, by Representative B. Richardson: AN ACT relating to compensation for officers and employes of Kentucky Educational Television.

HB 288, by Representatives Little and Richards: AN ACT relating to the regulation of personnel and guidance counselors.

HB 289, by Representative Heleringer: AN ACT relating to motor vehicle insurance.

HB 290, by Representative Heleringer: AN ACT relating to racing.

HB 291, by Representative Heleringer: AN ACT proposing to amend Section 148 of the Constitution of Kentucky relating to elections.

HB 292, by Representatives Schmidt and Donnermeyer: AN ACT appropriating funds to the Board of Ethics.

HB 293, by Representatives Donnermeyer, Schmidt, Sale, and DeFalaise: AN ACT relating to immunizations.

HB 294, by Representative Heleringer: AN ACT relating to elections.

HB 295, by Representative Dunn: AN ACT relating to elections.

HJR 24, by Representatives Smith and Cawood: A JOINT RESOLUTION authorizing and directing a comprehensive study of the workmen's compensation program in Kentucky.

HR 28, by Representative Smith: A RESOLUTION urging the appointment of a consumer representative to the energy regulatory commission and the utility regulatory commission.

HR 29, by Representative Patrick: A RESOLUTION requesting the Governor of the Commonwealth of Kentucky, and the Secretary of the Kentucky Department of Energy, to urge the United States Department of Energy to study the feasibility of converting Kentucky distilleries not presently in operation to ethanol production, for eventual use in the distillation of gasohol.

Representative B. Richardson filed the following Floor Amendment No. 1 to **HR 27:**

Amend printed copy of **HJR 27**, page 1, line 3, by deleting the word "three" and in lieu thereof inserting the word "four";

and on page 1, line 4, by deleting "($8,346)" and in lieu thereof inserting "($8,446)".

Speaker Pro Tempore Hancock presiding.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 274.**

Appropriatons and Revenue: **HB 242, HB 264, HB 266, HR 21.**

Banking and Insurance: **HB 268, HB 278.**

Cities: **HB 247, HB 248, HB 282.**

Counties and Special Districts: **HB 246, HB 258, HB 269, HB 277.**

Education: **HB 257, SB 57, SR 2.**

Elections and Constitutional Amendments: **HB 241, HB 270, HB 272, HB 275, HB 276.**

Health and Welfare: **HB 249, HB 263, HR 22.**

Judiciary: **HB 243, HB 250, HB 252, HB 253, HB 255, HB 259, HB 260, HB 273, HB 279, HB 280, HR 20.**

Labor and Industry: **SB 15.**

Natural Resources and Environment: **HB 244, HB 245, HB 254, HB 256, HB 261, HB 262.**

State Government: **HB 251, HB 265, HB 267, HB 271, HR 27.**

Transportation: **HB 281, HR 26.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration.

Labor and Industry: **HB 18**

Natural Resources and Environment: **HB 177.**

Judiciary: **HB 175, HB 169, HB 39, HB 88.**

Education: **HB 51, HR 3, HR 5.**

Health and Welfare: **HB 53, HB 78, HB 214, HB 232, HB 233.**

Elections and Constitutional Amendments: **HB 4.**

Report of Committees

The Committee on Rules reported **HB 134** has been posed for passage in Orders of the Day, January 21, 1980.

The Committee on Rules reported **HB 91** and **HB 138** have been recommitted to the Committee on Appropriations and Revenue.

The Committee on Rules reported **HB 158** had been recommitted to the Committee on Judiciary.

The Committee on Natural Resources and Environment reported **HB 11,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 11, AN ACT relating to hunting and fishing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 150.170 is amended to read as follows:

(1) Except as provided in subsections (2), (3), (4), (5), (6) and (7) of this section, and subject to regulations adopted under this chapter, no person, resident or nonresident, shall do any act authorized by any kind of license or permit, or assist in any way any person in doing any act provided for in this chapter with respect to game and fish unless he holds the kind of license or permit, resident or nonresident, that authorizes such act. It is the specific purpose of this chapter to prohibit the taking or pursuing of any wildlife, protected or unprotected, or the fishing in any stream or body of water whether public or private, without first procuring the license provided for herein, except to such extent as may be otherwise provided in this section.

(2) A person under sixteen (16) years of age may, without a sport fishing license, take fish by angling, or take minnows by the use of a minnow seine, minnow trap or dip net.

(3) The resident owner of farmlands, his spouse or dependent children, shall, without procuring any sport hunting or sport fishing licenses, have the right to take fish or hunt during the open season (except trapping) on said farmlands of which they are bona fide owners. Tenants or their dependent children, residing upon said farmlands, shall have the same privilege.

(4) Residents or nonresidents attending and participating in any field trial as authorized by the department may so attend and participate without obtaining a hunting license so long as game is not taken.

(5) Any resident who is sixty-five years of age or older may, without any sport hunting or sport fishing licenses, do any act authorized by such licenses, but while so doing he must carry upon his person an affidavit stating the year of his birth and place of residence.

(6) Any resident serviceman on furlough of more than three days may, in the county of his legal residence at the time of his entrance into the service, without any sport hunting or sport fishing licenses, do any act authorized by such licenses, but while so doing he must carry on his person proper identification and papers showing his furlough status.

(7) Resident landowners, their spouses or dependent children who kill or trap on their lands any wild animals or birds causing damage to such lands or any personal property situated thereon, shall not be required to have a hunting or trapping license. Tenants or their dependent children residing upon said lands shall also have the same privilege. Upon destruction of any animal or bird by the above specified individuals, such act must be reported to the department or the resident conservation officer for the proper disposition of the carcass.

(8) In the event a reciprocal agreement is entered into between the commissioner, with the approval of the commission, and the similar authority of Missouri, Tennessee, Virginia and West Virginia, persons holding a resident or nonresident fishing or a resident or nonresident statewide hunting license issued in these states are permitted to perform the acts authorized by such license upon certain contiguous waters and land areas adjacent to the common boundaries of the above-mentioned states and the state of Kentucky. A resident of the state of Kentucky must purchase a proper Kentucky license to conform with the reciprocal agreement.

(9) Any resident patient of a state-operated institution for the mentally retarded or mentally ill may, without any sport fishing license, do any act authorized by such a license while under the supervision of an appropriate employe of the institution.

The Committee Amendment to **HB 11** is as follows:

Amend printed copy of **HB 11,** page 1, line 4:

by placing a "," after "(6)"

and by placing brackets around the word "and" between "(6)" and "(7)"

and by inserting after "(7)" and *"and (9)"*.

Calendar

HB 71, HB 117, HB 42, HB 84, and **HB 21** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Motions, Petitions, and Communications

Representative Noe moved the adoption of the following Legislative Citation No. 10:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Harlan County High School 1979 Football Team District Champions. We are very proud of your excellent performance. You have bestowed great honor and prestige upon your school for being the first team to win the District Championship in the school's history and the first team to be undefeated in the regular season since 1950, and the only undefeated Class A team in the state. This body appreciated your hard work and dedication and we extend to you our very best wishes for continued success. (Sponsored by Representative Noe).

Agreed.

Representative LeMaster moved the adoption of the following Legislative Citation No. 6:

The House of Representatives of the Commonwealth of Kentucky hereby honors you, Dr. William Ellsworth Davis, as one of Bourbon County's most distinguished citizens and public benefactors. Your exemplary and unexcelled record in your tireless efforts to serve humanity as physician, teacher, coach, administrator, director, medical missionary, author, lecturer in five languages, founder, leader and Sunday school teacher merit the great approbation, "Well Done". You are the first and only Kentuckian to have a Health Department named in your honor - "The WEDCO District Health Department" where you serve five counties as private physician and health officer. Your philosphy embraces the concept of "caring, not curing." As missionaries, you and your wife served in the Congo for ten successful years. This prestigious body congratulates you at your blessed age of eighty-three years as one of this century's most accomplished and outstanding leaders, and we extend to you our sincere and best wishes. (Sponsored by Representative LeMaster).

Agreed.

Representative Turner moved the adoption of the following Legislative Citation No. 9:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Allen County's Junior Miss, Julia Brogli, the lovely daughter of Mr. and Mrs. Bob Brogli, as the second runner-up in the Kentucky Junior Miss Pageant held January 6, 1980 at Bowling Green, Kentucky. Your one hundred dollar scholarship and silver tray are a fitting tribute to your tireless effort and great loyalty. As a senior at Allen County High School, you have brought honor and great pride to your school and community. The House of Representatives honors you and we extend to you our very best wishes for continued success. (Sponsored by Representative Turner.)

Agreed.

Representative Heleringer moved the adoption of the following Legislative Citation No. 7:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Champions of the Class AA Toy Bowl football team and your excellent coach, Donald "Doc" Karem of the St. Barnabas School, Louisville, Kentucky. This proud team merited highest acclaim in winning this coveted state recognition. This body commends you and Coach Karem for your dedication and victory and we extend to you our best wishes. (Sponsored by Representative Heleginer).

Agreed.

Representative Heleringer moved the adoption of the following Legislative Citation No. 8:

The House of Representatives of the Commowealth of Kentucky hereby congratulates the Champions of the Class AAA Toy football team and your excellent coach, Larry Huber of the St. Martha School, Louisville, Kentucky. This proud team merited highest acclaim in winning this coveted state recognition. This body commends you and Coach Huber for your dedication and victory and we extend to you our best wishes. (Sponsored by Representative Heleringer).

Agreed.

Representative Craddock announced a meeting of the Subcommittee of the Committee on Appropriations and Revenue, Monday, January 21, 1:00 p.m., Room 9.

Representative List announced a meeting of the Central Kentucky Caucus, State Reception Room, Monday, January 21, 2:00 p.m.

The Speaker announced a meeting of the Committee on Rules, on adjournment, Room 307.

Adjournment

Representative B. Richardson moved that the House adjourn until 4:00 p.m., Monday, January 21, 1980.

On the roll call the vote was Yeas 73-Allen, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Brinkley, Bronger, Bruce, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Head, Hines, Holloway, Isler, Johnson, Kidd, Layman, Lewis, List, Little, Mann, May, Maynard McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rattliff, Reynolds, Richards, Richardson, B., Richardson, P., Robinson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 10-Bennett, Boswell, Burch, Guenthner, Holbrook, LeMaster, Overstreet, Rapier, Romines, Wright.

The motion to adjourn was adopted.

MONDAY, JANUARY 21, 1980

EIGHTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend John Chenault, First Christian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Dawahare and Layman.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 18, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 296, by Representatives Cawood and Hancock: AN ACT relating to water resources and making an appropriation therefor.

HB 297, by Representative Van Horn: AN ACT relating to purchase of retirement credit.

HB 298, by Representatives Van Horn and Lundergan: AN ACT relating to county jailers.

HB 299, by Representatives Bendl, Hines, Burch, Clark, Maynard, Dunn, Kidd, Nett, Priddy, Romines, Williams, and Yates: AN ACT relating to public transportation and making an appropriation therefor.

HB 300, by Representative Pearman: AN ACT relating to inheritance taxes.

HB 301, by Representative Worthington: AN ACT relating to elections.

HR 30, by Representatives Brinkley, Dawahare, Bruce, Stone, Overstreet, Deskins, Stumbo, and Little: A RESOLUTION urging the Attorney General of the Commonwealth of Kentucky to take immediate legal action to enjoin the same requirements of the federal Surface Mining Control and Reclamation Act of 1977 as were declared unconstitutional by the U.S. District Court, Western District of Virginia, Civil Action No. 78-0224-B, January 3, 1980.

HR 31, by Representatives Moberly and Wilborn: A RESOLUTION honoring Coach Roy Kidd and the 1979 Eastern Kentucky University Football Colonels.

HR 32, by Representative Heleringer: A RESOLUTION to adjourn the House of Representatives in honor and memory of U.S. Supreme Court Justice William Orville Douglas.

HR 33, by Representatives Donnermeyer and Haering: A RESOLUTION urging the Governor to declare Thursday, January 24, 1980, a day of mourning throughout the Commonwealth in memory of the many unborn children that have been killed since the United State Supreme Court issued its ruling which legalized abortion.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 292.**

Appropriations and Revenue: **HB 283.**

Banking and Insurance: **HB 286,** 289.

Business Organizations and Professions: **HB 290**

Education: **HB 285.**

Elections and Constitutional Amendments: **HB 291, HB 294, HB 295.**

Energy: **HB 284, HR 28, HR 29, HR 23.**

Health and Welfare: **HB 288, HB 293.**

Labor and Industry: **HR 24.**

State Government: **HB 287, HR 25.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration.

Business Organizations and Professions: **HB 240, HB 131.**

Cities: **HB 191, HB 222, HB 223, HB 282.**

Elections and Constitutional Amendments: **HB 24.**

Banking and Insurance: **HB 62.**

State Government: **HB 287, HR 27, HB 100, HB 162.**

Report of Committees

The Committee on Rules reported **HB 21, HB 42, HB 84,** and **HB 117** have been posted for passage in Orders of the Day, January 22, 1980.

The Committee on Rules reported **HB 71** has been recommitted to the Committee on Appropriations and Revenue.

Calendar

HB 11 taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that it be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 134 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bennett moved that **HB 134** be passed.

Representative Heleringer moved that **HB 134** be laid on the table.

On the roll call the vote was yeas 13-Allen, Blythe, Brown, DeFalaise, DeMarcus, Ellington, Heleringer, Holloway, McKinney, McNutt, Rattliff, Schmidt, Turner. Nays 80-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates.

The motion that **HB 134** be laid on the table was rejected.

On the roll call the vote was yeas 85-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 9-Allen, Barrows, Blythe, Brown, DeFalaise, Heleringer, McNutt, Moberly, Schmidt.

HB 134 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 134** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 60, SB 43,** and **SR 8.**

Motions, Petitions and Communications

Speaker Pro Tempore Hancock presiding.

Representative P. Richardson moved the adoption of the following Legislative Citation No. 11.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Miss Jennifer Anne Whittaker, the winner of the Clark County, Kentucky Junior Miss Contest. Miss Whittaker is the proud daughter of Dr. and Mrs. W. A. Whittaker. Poise, appearance, creative and performing arts captured the crown for Miss Whittaker. Miss Whittaker was among thirty-three contestants competing for the title of Kentucky's Junior Miss at Bowling Green, Kentucky where she received a cash scholarship and many other gifts. The House of Representatives extends our very best wishes to you for continuous success. (Sponsored by Representative P. Richardson)

Agreed.

Representative Lundergan moved the adoption of the following Legislative Citation No. 12:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Miss Kim Calvert, daughter of Mr. and Mrs. Eddie Calvert, winner of the Kentucky Junior Miss competition held in Bowling Green, Kentucky. As winner of the creative and performing arts, and the modern dance routine, you demonstrated admirable talent. You are making a fine contribution as a senior at Tates Creek High School - member of the National Honor Society, Beta Club, Cheerleader, Spanish and Mathematics Clubs. This body is very proud of you and we extend our very best wishes to you as you advance to America's Junior Miss Contest in Mobile, Alabama. (Sponsored by Representative Lundergan)

Agreed.

Representative Moberly moved the adoption of the following Legislative Citation No. 13:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Miss Mary Shuber, the lovely daughter of Mr. and Mrs. Tom Shuber of Berea, Kentucky as Madison County's Junior Miss. We honor you as the third runner-up in the Kentucky Junior Miss Competition held in January at Bowling Green, Kentucky and the winner of the scholastic award. You provide a fine example of today's youth as Governor of Girl's State and by your many accomplishments in sports and music. This prestigious body extends to you our very best wishes for your continued success. (Sponsored by Representative Moberly)

Agreed.

Representative DeMarcus moved that the rules be suspended for the purpose of offering a motion to amend the House rules.

The motion that the rules be suspended was adopted.

Representative DeMarcus moved the adoption of Floor Amendment No. 4 to **HR 17.** Agreed.

Representative Adams moved the adoption of the following Legislative Citation No. 14:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Franklin Simpson High School football team and your excellent coach, James Matthews and staff, for winning the State AAA Championship, November 21, 1979 at the Fair Ground Stadium, Louisville, Kentucky. Your extraordinary performance symbolizes hard work and school loyalty. You have bestowed great honor and prestige upon your school and community. The House of Representatives is proud of your athletic accomplishments and we salute you for your dedication and fine record. (Sponsored by Representative Adams)

Agreed.

Representative Moberly moved that the rules be suspended for the purpose of acting upon a Resolution. Agreed.

Representative Moberly moved the adoption of the following **HR 31:**

HR 31, A RESOLUTION honoring Coach Roy Kidd and the 1979 Eastern Kentucky University Football Colonels.

WHEREAS, the 1979 Eastern Kentucky University Football Colonels achieved an 11-2 season, thus establishing a new school record; and

WHEREAS, on December 15, 1979 this powerful Eastern team commandingly defeated the Lehigh University Football Engineers by a score of 30-7; and

WHEREAS, by defeating the Lehigh Engineers, Eastern Kentucky University captured the 1979 NCAA Division 1-AA National Football Championship Title; and

WHEREAS, the Colonels' victory over Lehigh distinguished Eastern University as the first school from the Ohio Valley Conference to win a national championship title in any sport; and

WHEREAS, the concept of teamwork and the quality of unselfish play were epitomized by the Colonels dedicating the '79 football season to Don McKinnon - a freshman noseguard on the team during the 1978 season who died of meningitis last spring; and

WHEREAS, dedication and devotion to the memory of Don McKinnon led the Eastern players to emblazon McKinnon's number 68 on their helmets during the 1979 season and inspired the Colonels during their successful capture of the NCAA Division 1-AA National Football Championship Title;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Coach Roy Kidd and his staff be honored and commended for their contributions to Eastern Kentucky University's athletic program, as well as, to the development of outstanding and responsible young athletes.

Section 2. That every member of the football team be applauded as exemplary representatives of the Commonwealth of Kentucky.

Section 3. That the Clerk of the House be directed to forward a copy of this resolution to Coach Kidd, and members of the team, and the family of Don McKinnon.

Agreed.

Representative Gray announced a joint meeting with the Senate of the Labor and Industry Committee, January 11 at 4:00 p.m., Room C.

Representative Little announced a meeting of the Committee on Transportation, January 24 at 9:00 a.m., Room A.

Representative O'Brien announced a meeting of the Committee on State Government, today one-half hour after adjournment, Room 9.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Posting of Bills and Resolutions for Consideration. Agreed.

Introduction of Bills and Resolutions (continued)

HB 302, Representative List: AN ACT relating to libraries.

HB 303, by Representative Jones: AN ACT relating to public road districts.

HB 304, by Representative DeFalaise: AN ACT relating to urban-county governments.

HB 305, by Representative White: AN ACT relating to annexation.

HB 306, by Representatives Patrick and White: AN ACT relating to penalties for fish and wildlife violations.

Posting of Bills and Resolutions for Consideration (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Natural Resources and Environment: **HB 245.**

Business Organizations and Professions: **HB 163, HB 164.**

Labor and Industry: **HR 24.**

Motions, Petitions and Communications (continued)

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

Representative Barrows, **HB 296;** Representative Bendl, **HB 274;** Representative Burnette, **HB 210, HR 29;** Representative Caldwell, **HB 4, HB 91;** Representative Craddock, **HB 134;** Representative Donnermeyer, **HB 32, HB 119, HB 125, HB 146, HB 147, HB 277, HR 14;** Representative Guenthner, **HB 32;** Representative Head, **HB 123;** Representative Heleringer, **HB 20, HB 99;** Representative Hines, **HB 91;** Representative Holbrook, **HB 195;** Representative Mann, **HB 125, HB 146, HB 147, HB 166, HB 277;** Representative Morris, **HB 12, HB 75;** Representative Petty, **HB 32, HB 125, HB 147, HB 146, HB 277, HR 14;** Representative Priddy, **HB 32;** Representative Romines, **HB 21, HB 134, HR 14.**

The Speaker announced a meeting of the Committee on Rules on adjournment.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Tuesday, January 22, 1980.

On the roll call the vote was yeas 75-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Isler, Johnson, Jones, Kidd, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 12-Allen, Blythe, Boswell, DeFalaise, Guenthner, Holbrook, Holloway, LeMaster, Pearman, Robinson, Schmidt, Wright.

The motion to adjourn was adopted.

TUESDAY, JANUARY 22, 1980

NINTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Chaplain Steve Perkins, Danville Youth Development Center.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members were present.

Representative Brinkley moved that the reading of the Journal of January 21, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 307, by Representative Guenthner: AN ACT relating to ownership and operation of retail service station.

HB 308, by Representatives Arnold, Worthington, and Lundergan: AN ACT relating to museums.

HB 309, by Representatives Arnold, Worthington, and Lundergan: AN ACT relating to buildings constructed by the use of state, county, municipal or other governmental funds.

HB 310, by Representative Adams: AN ACT relating to the transfer of funds to and from public treasuries.

HB 311, by Representative Heleringer: AN ACT relating to voting after change of party affiliation.

HB 312, by Representative Heleringer: AN ACT relating to the General Assembly.

HB 313, by Representative Heleringer: AN ACT relating to reports of campaign committees.

HB 314, by Representative Heleringer: AN ACT relating to choice of party primary in which to vote.

HB 315, by Representatives Heleringer, Bronger, Riner, Donnermeyer, Wright, Haering, Petty, Nett, Clark, and Yates: AN ACT relating to abortion.

HB 316, by Representative LeMater: AN ACT relating to crimes and punishments.

HB 317, by Representatives Yates and Bronger: AN ACT relating to train derailments.

HB 318, by Representative Van Horn: AN ACT relating to limitation of actions.

HB 319, by Representative Yates: AN ACT relating to planning and zoning.

HB 320, by Representative Stone: AN ACT relating to the office of county treasurer.

HB 321, by Representatives Clarke, Kenton, Van Horn, LeMaster, DeMarcus, DeFalaise, Wilborn, Overstreet, and Cawood: AN ACT relating to salaries of officials of the court of justice.

HB 322, by Representatives DeMarcus, Reynolds, and Fryman: AN ACT relating to fish and wildlife.

HJR 34, by Representative Adams: A JOINT RESOLUTION relating to the Kentucky Public Employes Deferred Compensation System.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 300.**

Business Organizations and Professions: **SB 43.**

Cities: **HB 304, HB 305.**

Counties and Special Districts: **HB 297, HB 298, HB 299.**

Elections and Constitutional Amendments: **HB 301.**

Health and Welfare: **HR 33, SR 8.**

Judiciary: **HB 306, HR 32, SB 60.**

Natural Resources and Environment: **HB 296.**

State Government: **HB 302, HR 30.**

Transportation: **HB 303.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been withdrawn from Committee consideration:

Cities: **HB 80.**

Senate Message

Announcing passage of **SB 46, SB 62, SB 63.**

Report of Committees

The Committee on Rules reported **HB 11** has been posted for passage in Orders of the Day, January 23, 1980.

The Committee on Cities reported **HB 8** and **HB 83,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 8, AN ACT relating to cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 89.160 is amended to read as follows:

(1) A majority of the members of the board of commissioners shall constitute a quorum, but the affirmative vote of a majority of the members shall be necessary to the adoption of any motion, resolution or ordinance, the making or approval of any contract, or the passage of any measure. Upon each vote the yeas and nays shall be recorded, and each motion, resolution and ordinance shall be reduced to writing and read before the vote is taken thereon. The mayor shall preside at meetings of the board. He shall have no veto power. Each resolution, measure or ordinance, and in cities of the second class each contract, shall be signed by the mayor or by two (2) commissioners and recorded before it shall take effect.

(2) In a city of the second class, a summary or the full text of each resolution or ordinance shall be read before the vote is taken thereon.

Section 2. KRS 89.540 is amended to read as follows:

(1) A majority of the members of the board of commissioners shall constitute a quorum, but the affirmative vote of at least a majority of the members shall be necessary to the adoption of any motion, resolution or ordinance, the making or approval of any contract, or the passage of any measure. Upon each vote the yeas and nays shall be recorded and each motion, resolution and ordinance shall be reduced to writing and read before the vote is taken thereon. Each resolution, measure or ordinance shall be signed by the mayor or by two (2) commissioners and recorded before it shall take effect. The mayor shall have no veto power.

(2) In a city of the second class, a summary or the full text of each ordinance or resolution shall be read before the vote is taken thereon.

HB 83, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Collector" means the collector of revenue of any city of the first class.

(2) "Land taxes" mean general taxes on real property and include the taxes both on land and improvements thereon.

(3) "Master commissioner" or "circuit clerk" means the master commissioner and the circuit clerk of the judicial district in which any city of the first class is located.

(4) "Tax bill" means the statement of the land taxes and the lien thereon, levied and assessed by any taxing authority.

(5) "Tax lien" means the lien of any tax bill established pursuant to KRS 91.560.

SECTION 2. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

(1) The collector of taxes shall, as early in the month of July as is practicable, make a list of all the tax bills remaining in whole or in part unpaid on July 1. He shall at once file the list with the director of finance. A false report or a failure to report shall not invalidate subsequent proceedings for collection of the tax.

(2) The list of delinquent properties and lots prepared pursuant to subsection (1) of this section shall contain the following:

(a) A description of the land by district, block, lot and sub-lot and include the street address.

(b) A statement of the amount of each tax bill upon such parcel, including all tax bills thereon which are delinquent, the year of the assessment, the block, lot and sub-lot of each tax bill and the date from which the rate at which interest and penalties shall be completed, and an appropriate designation of the owner or holder of each tax bill.

(c) The name of the last known person appearing on the records of the collector in whose name the tax bills on such real estate were listed or charged for the year preceding the calendar year in which such list is filed.

SECTION 3. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

(1) If any of the land or lots against which delinquent taxes are owed, remain unreleased or unpaid on the first day of January, the collector may file suit in the circuit court against such land or lots to enforce the lien of the city created under KRS 91.560.

(2) The collector shall note on the tax bill the fact that suit has been commenced.

(3) The collector shall note on the list of all city land tax bills collectable by the city, which are delinquent, prepared pursuant to Section 1, that suit has been filed and shall give the court docket the number of each suit and the date the suit was commenced.

(4) No action for recovery of taxes against real property shall be commenced, had or maintained, unless action therefor shall be commenced within seven (7) years after delinquency.

(5) Any person interested in or the owner of any tract of land or lot contained in the records of delinquent land and lots in the collector's office may release such tract of land or lot, or any part thereof, from such city's lien thereon, by paying the taxes due the collector, together with interest from the date of delinquency.

(6) If suit shall have been commenced against any tract of land or lot for the collection of taxes, the person desiring to have any such land released before judgment, in addition to the original taxes, interest

and cost including attorneys' fees, shall pay to the collector all necessary costs incurred in the court where the suit is pending, and the collector shall account to the clerk of the court in which said suit is filed for the court costs so collected.

SECTION 4. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

(1) A suit for the enforcement of the tax lien shall be instituted by filing in the appropriate office of the circuit clerk a petition, which petition shall contain a caption, a copy of the list prepared by the collector, the parties thereto and a claim as provided in subsection (2) of this section.

(2) The suit for the enforcement of the tax lien shall constitute an action in rem and the pleadings shall consist of a petition and answer.

(3) The petition shall conclude with a claim that all tax liens upon such real estate be enforced; that the court determine the amounts and priorities of all tax bills, together with interest, penalties and costs; that the court order such real estate to be sold by the master commissioner pursuant to the provisions of KRS 426.560 through 426.715 and that a report of the sale be made by the master commissioner to the court for further proceedings under the provisions of this Act. Such petition without further allegations shall be deemed to be sufficient.

(4) The petition so filed shall have the same effect with respect to each parcel of real estate described, as a separate suit instituted to enforce the tax lien against any one of the parcels of real estate.

(5) Any number of parcels of real estate may be joined in one petition or suit. Each separate tract or parcel of real estate joined in any one action shall be listed by the collector by its block, lot and sub-lot and shall be separately indexed and docketed by the circuit court clerk in a book kept by the clerk for that purpose. For each parcel of real estate, the circuit clerk shall be allowed a fee of fifty (50) cents which shall be taxed and paid as other costs.

(6) The petition shall state the liens held on the properties by others making them defendants, and may ask for and obtain a judgment for sale of the property to satisfy all of the liens which are known to exist, though the defendants fail to assert their claim. The defendants shall not, however, be allowed to withdraw or receive any of the proceeds of the sale, until they have shown their right thereto by answer or cross-claim, which shall be asserted as provided in the Kentucky rules of civil procedure.

(7) An answer may be filed by any person owning or claiming any right, title or interest in or to any tax bill constituting a tax lien on the real estate described in the petition, or by any person owning or claiming any right, title or interest in or to, or lien upon, such real estate. An answer shall include the nature and amount of the interest and any defense or objection to the enforcement of the tax liens listed in the petition and may include the allegations usually incorporated in pleadings entitled cross-petitions, cross-complaints, interpleas, or intervening petitions.

(8) In the event of failure to answer within the time fixed, a default judgment may be taken as to all tax bills affecting parcels of real estate as to which no answer has been filed.

SECTION 5. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

Affidavits of publication of notice and of posting, mailing, or other acts required by the provisions of this Act shall be filed in the office of the circuit clerk prior to the trial, and when so filed shall constitute part of the evidentiary document in the enforcement suit. The affidavits shall be prima facie evidence of the performance of acts therein described, and may be so used in the trial of the suit unless challenged by verified answer duly filed in the suit.

SECTION 6. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

All parties and defendants known or reasonably ascertained to have an interest in any parcel of real estate affected by any action by the collector shall be served with a summons pursuant to the Kentucky rules of civil procedure and in addition, within thirty (30) days after the filing of the suit with the circuit clerk the collector shall cause a notice of enforcement of the tax lien to be published four (4) times, once each week, during successive weeks, and on the same day of each week, in accordance with the provisions of KRS Chapter 424 relating to legal notices.

SECTION 7. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

(1) Any suit to collect delinquent tax bills which may be pending at the time of the commencement of any suit brought under the provisions of this Act, affecting the same land, shall be consolidated with such suit brought under this Act. The parties to the pending suit shall file answers, but any tax bill sought to be collected in any pending suit may be included in any list included as a part of any petition filed by the collector. If so included, the inclusion shall act as an abatement of any pending suit, and all amounts then due on any such tax bill, including interest, penalties and costs, shall be listed and charged, and shall continue in force the liens against the respective parcel of real estate listed in the petition filed pursuant to the provisions of this Act. When so listed and included in the petition, no answer shall be required to be filed in the collector's suit to collect the delinquent bills.

(2) Any suit brought under the provisions of this Act, involving delinquent tax bills sought to be collected by any suit pending at the time suit is brought under this Act, shall be tried as all other actions, and the statute of limitations shall not prevent the parties to such pending suit from asserting all rights and defenses which they then have.

SECTION 8. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

(1) Upon the trial of the cause upon the question of enforcement, the tax bill shall be prima facie proof that the tax described in the tax bill has been validly assessed at the time indicated by the tax bill and that the tax is unpaid. Any person alleging any jurisdictional defect or invalidity in the tax bill or in the sale thereof must particularly specify in his answer the defect or basis of invalidity, and must, upon trial, affirmatively establish the defense.

(2) After the court has first determined the validity of the tax liens of all tax bills affecting parcels of real estate described in the petition, the priorities of the tax bills and other interest and the amount due thereon, including principal, interest, penalties and costs, the court shall enter judgment of sale of the property and fix the time and place of the judgment sale.

(3) The petition shall be dismissed as to any parcel of real estate released or redeemed prior to the time fixed for the master commissioner's sale as provided in this Act.

(4) If the parcel of real estate sold at the master commissioner's judgment sale is sold for a sum sufficient to fully pay the principal amount of all tax bills included in the judgment together with interest, penalties and costs, and for no more, and such sale is confirmed by the court, then all other proceedings as to such parcels of real estate shall be finally dismissed as to all parties of interest other than tax bill owners or holders; provided, however, that any party seeking relief other than an interest in or lien upon the real estate may continue with said suit to a final adjudication of such other issues. An appeal may be had as to any claim attacking the validity of the tax bill or bills or the priorities as to payment of proceeds of the judgment sale.

(5) If the parcel of real property sold at the master commissioner's sale is sold for a sum greater than the total amount necessary to pay the principal amount of all tax bills included in the judgment, together with interest, penalties, and costs, and the sale is confirmed by the court, and no appeal is taken by any person claiming any right, title or interest in or to or lien upon the parcel of real estate or by any person or taxing authority owning or holding or claiming any right, title or interest in or to any tax bills within the time fixed by law for the filing of notice of appeal, the court shall order the master commissioner to make distribution to the owners or holders of the respective tax bill included in the judgment of the amount found to be due and in the order of priority. Thereafter, all proceedings in the suit shall be ordered by the court to be dismissed as to such persons owning, holding or claiming any right, title or interest in any such tax bill paid, and the case shall proceed as to any parties claiming any right, title or interest or lien upon the parcel of real estate affected by such tax bill as to their respective claims to the surplus funds then remaining in the hands of the court.

(6) Whenever an answer is filed to the petition, a severance of the action as to all parcels of real estate affected by such answer shall be granted, and the issues raised by the petition and the answer shall be tried separate and apart from the other issues in the suit, but the granting of the severance shall not delay the trial or other disposition of any other issues in the case.

(7) A separate appeal may be taken from any other issue in the case. A separate appeal may be taken from any action of the court affecting any right, title or interest in or to, or lien upon, such real estate, other than issues of law and fact, affecting the amount or validity of the lien of tax bills, but the proceeding to enforce the lien of any tax bills shall not be stayed by the appeal. The trial shall be conducted by the court without the aid of a jury. This action shall take precedence over and be triable before any other actions affecting the title to the real estate upon motion of any interested party.

SECTION 9. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

After the trial of the issues, the court shall render judgment as promptly as circumstances permit. If the court finds that no tax bill was delinquent when the suit was instituted or tried then the judgment of the court shall be that the cause be dismissed as to the parcels of real estate described in the tax bill. If the evidence warrants, the judgment may be for the principal amount of the delinquent tax bill upon the real estate upon which the suit was brought, together with interest, penalties, appraiser's fee and cost computed as of the date of the judgment. The court may decree that the lien upon the parcel of real estate described in the tax bill be enforced and such real estate be sold by the master commissioner and the cost continued for further proceedings as provided by this Act.

SECTION 10. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

(1) At any time prior to the sale of the property any person having any right, title or interest in, or lien upon, any parcel of real estate described in the petition may redeem the parcel of real estate by paying

to the collector all of the sums mentioned therein, including the principal, interest, penalties, and costs then due.

(2) If the property is sold, and pursuant to the judgment or order of the court, does not bring two-thirds (⅔) of its appraised value, the defendant or his representative may redeem it within sixty (60) days from the day of the sale, by paying the purchaser or his representatives the original purchase money and interest at ten percent (10%) per annum. Any defendant who redeems his land shall take a receipt from the purchaser and lodge it with the clerk of the court. The receipt shall be entered upon the records of the court.

(3) The defendant may tender the redemption money to the purchaser, his agent or attorney, if found in the county where the land lies or in the county in which the judgment was obtained or order of sale made. If the money is refused, or if the purchaser does not reside in either of the counties, the defendant may, before the expiration of the right of redemption, go to the clerk of the court in which the judgment was rendered or the order made, and make affidavit of the tender and refusal, or that the purchaser or his agent or attorney do not reside in either of the counties. He may then pay to the clerk the redemption money, and the clerk shall give receipt therefor and file the affidavit among the papers of the action.

(4) When the rights of redemption exist, the defendant may remain in possession of the property until it expires. Real property so sold shall not be conveyed to the purchaser until the right of redemption has expired. If it is redeemed, the sale shall, from and after the redemption or from and after the deposit of the redemption money with the clerk, be null and void.

(5) In the event of failure to redeem within the period provided for redemption, the defendant or any other party in interest shall be barred forever of all his right, title and interest in and to the parcel of real estate described in the petition.

(6) Upon redemption, as permitted by this section, the person redeeming shall be entitled to a certificate of redemption from the collector describing the property in the same manner as it is described in the petition and the collector shall thereupon note on his records the word "redeemed" and the date of the payment opposite the description of the parcel of real estate.

SECTION 11. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

(1) Upon the confirmation of the sale by the court and the expiration of the right of redemption provided in Section 10 of this Act, the title to any real estate purchased from the master commissioner pursuant to this Act shall vest in the purchaser. The title of the real estate shall be an absolute estate in fee simple, subject to rights of way of public utilities on which tax has been otherwise paid and subject to any lien of the United States of America, if any. All persons, including the Commonwealth of Kentucky, infants, incompetents, absentees, and non-residents who may have had any right, title, interest, claim or equity of redemption in or to, or lien upon the land shall be barred of all right, title, interest, claim, lien or equity of redemption, and the court shall order that immediate possession of the real estate be given to the purchaser.

(2) The title shall be subject to the liens of any tax bill which may have attached to the parcel of real estate prior to the time of the filing of the petition affecting such parcel of real estate not then delinquent, or which may have attached after the filing of the petition and prior to the expiration of the period provided for redemption and not included any answer to such petition.

(3) If the parcel of real estate is sold to the city, the title shall be free of any liens to the extent of the interest of any taxing authority in any such real estate.

(4) The title shall not be subject to the lien of special tax bills which have attached to the parcel of real estate but the lien of the special tax bill shall attach to the proceeds of the master commissioner's sale or to the proceeds of the ultimate sale of the parcel by the city.

SECTION 12. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

(1) After the master commissioner sells any parcel of real estate, the court shall, upon its own motion or upon motion of any interested party, set the cause down for hearing to confirm the sale, even though such parcels are not all of the parcels of real estate described in the notice of the master commissioner's sale.

(2) If the sale is confirmed, the court shall order the proceeds of the sale applied in the following order:

(a) To the payment of the cost of publication of the notice of the master commissioner's sale;

(b) To the payment of all costs including appraiser's fees; and

(c) To the payment of all tax bills adjudged to be due, including principal, interest and penalties. If after such payment, there is any sum remaining of the proceeds of the commissioner's sale, the court shall try and determine the other issues in the suit in accordance with the trial. If any of the answering parties has specifically appealed, the court shall retain custody of the funds pending disposition of the appeal, and upon disposition of the appeal shall make distribution. If there are not sufficient proceeds of the sale to pay all claims in any class described, the court shall order them to be paid pro rata in accordance with the priorities.

(3) If there are any funds remaining of the proceeds after the commissioner's sale and after the distribution of the funds as herein set out and no person entitled to any such funds, whether or not a party

to the suit, shall have appeared within two (2) years after the sale, and claimed the funds, they shall escheat to the state as provided in KRS Chapter 393.

SECTION 13. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

The collector or any interested person or anyone on behalf of any incompetent may appeal from the judgment confirming or disapproving the commissioner's sale and the distribution of proceeds. No questions may be raised upon the appeal that could have been raised upon an appeal from the judgment of the sale. The appeals shall be taken within thirty (30) days after the date of the judgment. The necessity for giving bond and the provisions thereof shall be the same as in the case of appeal from the judgment of sale.

SECTION 14. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

If any party redeems any parcel of real estate from the lien of any tax bill, the party shall, in addition to all other amounts then due, including principal, interest, and costs, also pay costs to the collector as follows:

(1) One dollar ($1) per parcel of real estate for issuance of certificate of redemption;

(2) Five dollars ($5) per parcel of real estate, if notice of publication has been commenced; and

(3) Five dollars ($5) as an additional charge for parcel of real estate if notice of the commissioner's sale has been commenced.

SECTION 15. A NEW SECTION OF KRS CHAPTER 91 IS CREATED TO READ AS FOLLOWS:

Any property or real estate acquired by the city by virtue of purchase at the commissioner's sale shall be held by the city and any property so held may be sold, transferred, leased or otherwise utilized by the city within its sole discretion.

Section 16. KRS 91.420 is amended to read as follows:

During December of each year or as soon as the rates for the coming year are fixed, the tax bills shall be made out according to the provisions of the ordinances levying taxes and the following January shall be listed with the *collector* [tax receiver] for collection. Taxes on personal property may be included with those on some one (1) parcel of land and improvements. Any tax bill so listed with the *collector* [tax receiver] shall be prima facie proof that all steps have been taken to make it a binding tax bill for the amounts and purposes and against the person and property therein named or described.

Section 17. KRS 91.430 is amended to read as follows:

(1) Tax bills shall be payable in January after the same are listed with the *collector* [tax receiver] for collection, and shall become delinquent on May 1 of the year for which they are made out.

(2) The taxes paid before May 1 in the year for which they are made out may be reduced by discounts [not to exceed three per cent (3%) during such periods and] in such amounts as the legislative body of the city may provide by ordinance.

(3) All tax bills uncollected in whole or in part on May 1 next succeeding the day on which they were listed with the *collector* [tax receiver] shall thereafter bear interest at the rate *prescribed by ordinance* [of one-half of one per cent (.5%)] for every month or fraction thereof from May 1 until paid or until the property of the delinquent has been sold for the tax.

(4) On July 1 next succeeding the day on which the tax bills were listed with the *collector* [tax receiver], a penalty *in an amount prescribed by ordinance* [of ten per cent (10%) of the face of the bill] shall be added to all unpaid tax bills, in addition to the interest.

Section 18. KRS 91.450 is amended to read as follows:

Within a reasonable time after the tax bills for the year have been listed with the *collector* [tax receiver], he shall mail a postpaid tax notice, directed to the best of his knowledge, to every person against whom a tax bill has been listed. In the case of an infant or mentally ill person the notice shall be mailed to his guardian or committee, and in the case of an absent owner whose address is unknown to the *collector* [tax receiver] it shall be mailed to the agent of the owner. The tax notice shall give a brief description of the property taxed, and shall state the number and amount of the bill listed against the taxpayer, the date of its maturity, and the penalties imposed for nonpayment. The failure of the *collector* [tax receiver] to send the tax notice, or of the taxpayer to receive it, shall not invalidate the tax, or the interest or penalties provided for by KRS 91.430, or any subsequent proceeding for the collection of either.

Section 19. KRS 91.990 is amended to read as follows:

(1) Any treasurer and secretary of the sinking fund of a city of the first class who appropriates to his own use any money or property belonging to the sinking fund, or who fails or refuses to surrender any books, papers, money or other thing of value to his successor in office, or to any person legally entitled to receive the same, shall be confined in the penitentiary for not less than one (1) nor more than ten (10) years.

(2) Any person who violates any of the provisions of subsection (2) of KRS 91.300 shall be liable to any person injured thereby, and shall be fined not more than one thousand dollars ($1,000) or imprisoned for not more than six (6) months, or both.

(3) Any *collector* [tax receiver] who makes a false report under *Section 2 of this Act* [KRS 91.460] shall be liable to the person injured for all costs, penalties and damages caused thereby.

(4) Any corporation, or officer thereof, wilfully failing to make the reports required by KRS 91.640, shall be fined one hundred dollars ($100) for each offense, and five dollars ($5) for each day the report is not made after October 1 of the year in which it is due.

SECTION 20. A NEW SECTION OF KRS CHAPTER 92 IS CREATED TO READ AS FOLLOWS:

In addition to those powers granted in this chapter for the collection of ad valorem taxes, any city of the second through the sixth class may enforce collection of any tax bill due it by the procedure authorized by the provisions of this Act.

Section 21. The following sections of the KRS are repealed:

91.460 Report of unpaid tax bills.
91.470 Sale of personal property for city taxes.
91.480 Sale of real property for city taxes.
91.490 Tax bill sufficient authority for sale of property — Amount to be made from sale — Resale.
91.500 Purchase by city of real property at tax sale — Disposition of property — Purchaser's duty to bring property into compliance with building and housing codes.
91.505 Notice required for action against city by lienholders.
91.510 Redemption of real property sold at tax sale.
91.520 Report and record of property sold for city taxes.
91.540 Deed to purchaser at tax sale — Effect as evidence.
91.570 Collection of taxes by action.
91.580 Taxes recovered by action to be paid to tax receiver.
91.590 Relief against unlawful distraint or garnishment.
91.600 Personal property tax bills to be canceled when uncollectible.

The Committee Amendment to **HB 83** is as follows:

Amend printed copy of **HB 83** on page 17, line 26, delete in their entirety, sections 16, 17, 18 and 19, and renumber section 20 as section 16.

The Committee on Energy reported **HCR 4,** and **HB 98** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HCR 4, A CONCURRENT RESOLUTION directing the formation of a long term plan for stabilization and decommissioning of a nuclear waste disposal site and providing for legislative oversight.

WHEREAS, a nuclear waste disposal facility in Kentucky has shown evidence of subsurface migration of radioisotopes and serious hydrological problems creating doubts as to its long term safety and integrity; and

WHEREAS, some progress has been made in attempting to address the immediate water management problems on-site; and

WHEREAS, there is now a need to develop and implement a long range plan to permit the stabilization and to move toward permanent decommissioning of the site; and

WHEREAS, the Kentucky General Assembly commends the actions of the executive agencies to protect public health and is desirous of joining forces to involve the people of Kentucky in decisions concerning nuclear issues; and

WHEREAS, it is the belief of the General Assembly that nuclear issues are of such a serious, technical, and long term nature that the expertise available in the Commonwealth should be tapped and brought to bear on this topic;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission be directed to appoint a Special Advisory Committee on Nuclear Issues consisting of membership from both houses of the legislature, which shall choose from among its members a chairperson and vice-chairperson, by mutual agreement. In addition, the Legislative Research Commission shall appoint to the committee members recognized as experts in areas related to nuclear issues, representatives from environmental groups, and lay members representing the general public, but in no case shall total membership exceed fifteen (15) members.

Section 2. That the Special Advisory Committee shall assume an oversight role on behalf of the Kentucky General Assembly on all matters pertaining to the nuclear industry and nuclear waste disposal during the 1980-82 interim. The Committee shall meet at least quarterly and shall report its findings and recommendations to the Legislative Research Commission and the 1982 General Assembly no later than January 1, 1982.

Section 3. That the Department for Natural Resources and Environmental Protection in consultation with the Department for Human Resources move expeditiously to develop and implement a long term plan for the stabilization and eventual decommissioning of any nuclear waste disposal site owned by the Commonwealth on the effective date of this Act with the objective of leaving the site in a condition such that the need for active ongoing maintenance is eliminated and only surveillance and monitoring are required.

Section 4. That the Department for Natural Resources and Environmental Protection report to the Special Advisory Committee on Nuclear Issues on the progress of such long term plan and implementation of such plan no less than two (2) times a year.

Section 5. It is estimated that the operation of the Committee and the provision of staff services will cost approximately $20,000, such monies to be provided from the regular budget of the Legislative Research Commission.

HB 98, AN ACT relating to radioactive waste.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

It is the findings of the General Assembly of the Commonwealth of Kentucky that the original concept of shallow-land nuclear burial sites has not been met in Kentucky in that measurable amounts of radioactivity have been released to the surrounding environment from an existing nuclear waste facility. The mechanism for providing for the financing of perpetual care and maintenance of such a site has proven to be inadequate and also did not take into consideration early closing of the site. The detection of radioactivity in a new unused trench on such site provided unequivocal evidence that migration of radioactive liquids can and did occur in a subsurface manner. Current knowledge of the complex geologic and hydrologic features of such site is insufficient to develop a model capable of predicting future behavior of the site. It is the intent of the General Assembly that because of these problems, the existing site should remain closed unless solutions are found which will assure site safety and integrity and remedy all of the aforesaid problems. It is at this time in the best interest of the public health and safety of the citizens of the Commonwealth that the state maintain ownership and, thus, ultimate decision-making authority over nuclear waste sites located within its borders.

SECTION 2. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The governor, the secretary of the department for human resources, the secretary of the department for natural resources and environmental protection or any other state agency shall not enter into a contract or an agreement of any kind with the federal government relinquishing ownership of a low level nuclear waste disposal site located in the Commonwealth without prior approval of a majority of the members of the Kentucky house of representatives and a majority of the members of the Kentucky senate.

(2) It shall be the policy of the Commonwealth to retain final authority for approving or disapproving the locating, opening, closing, or reopening of a nuclear waste disposal site or facility within its borders.

(3) The governor or appropriate state agencies may enter into contracts and agreements with the federal government relating to nuclear waste disposal sites located in the Commonwealth on the effective date of this Act that do not violate the provisions of subsections (1) and (2) of this section.

SECTION 3. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) Any nuclear waste disposal facility, licensed and regulated by the Kentucky department for human resources, which is closed either because there is doubt as to the public safety of the site, the integrity of the site, the economic feasibility of financing perpetual care and maintenance and decommissioning of the site, or compliance with departmental regulations, shall not re-open without:

(a) A finding of fact by the secretary of the department for human resources and the secretary of the department for natural resources and environmental protection that all reasons for site closure have been addressed and resolved such that there is no longer any doubt as to the public safety or integrity of the site or the ability to adequately finance the perpetual care and maintenance and decommissioning of the site or the compliance of the site with departmental regulations; and

(b) A public hearing and the taking of public comment on such findings of fact; and

(c) Approval of a majority of the members of the house of representatives and a majority of the members of the senate; and

(d) Approval of the governor.

(2) The department for human resources shall be responsible for organizing the public hearings, which shall be held in the county in which the nuclear waste disposal facility is located and shall be at a time and place convenient for public participation. Adequate notification shall be given to the public of the intention to re-open a nuclear waste disposal site and the department shall make available to the public the data and information upon which its decision to recommend approval of re-opening of the site is based.

SECTION 4. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

The department for natural resources and environmental protection shall proceed toward the stabilization and decommissioning of any nuclear waste facility owned by the Commonwealth on the effective date of this Act as expeditiously as is reasonably possible in order to place the facility in such a condition that active ongoing maintenance is eliminated and only surveillance and monitoring are required.

SECTION 5. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Appropriations for the capital construction and for the operating budget of a nuclear waste disposal site owned by the Commonwealth shall be set forth as a major program cost in the executive budget document for the department for natural resources and environmental protection.

(2) Appropriations for the regulating and monitoring of a nuclear waste disposal site owned by the Commonwealth shall be set forth as a major program cost in the executive budget document for the department for human resources. Monitoring and water sampling and analyses shall be maintained and budgeted for at a level to provide frequent and continuing evidence of the safety of the site.

(3) Operating costs associated with the daily maintenance of the site in excess of allocations budgeted to the department for natural resources and environmental protection, regulating and monitoring costs associated with normal surveillance of the site in excess of allocations budgeted to the department for human resources and costs associated with an emergency at the site so declared by the governor shall be deemed necessary governmental expenses.

(4) In the event a request for funds is made pursuant to subsection (3) of this section, a copy of such request and the justification for additional funds shall be forwarded to the office of the legislative research commission at the time the request is made. The legislative research commission or its designated subcommittee may request further explanation of the need for additional funds.

(5) Subsections (3) and (4) of this section shall apply only to sites located in the Commonwealth prior to the effective date of this Act.

The Committee on Appropriations and Revenue reported **HB 146,** with Committee Substitute attached thereto, and **HB 147,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 146, AN ACT relating to property taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.015 is amended to read as follows:

The property valuation administrator shall maintain lists of all real property additions and real property deletions to the property tax rolls for the county or urban county, and each city, school district and special district in the county or urban county, and shall certify such lists to the department of revenue, the state local finance officer, the city clerk of each city in the county, the treasurer or chief officer of each special district in the county, and the chief administrative officer of the urban county at the time he files his recapitulation of *real* property assessed on the tax roll with the department of revenue *as required in KRS 133.040.*

Section 2. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half (31-½) cents upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five (25) cents upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of unmanufactured agricultural products,

one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen (15) cents upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen (15) cents upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen (15) cents upon property which has been certified as a pollution control facility as defined in KRS 224.850, and forty-five (45) cents upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half (1 ½) cents upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, as defined in KRS 141.205(3), and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value.

(6) Thirty (30) cents of the thirty-one and one-half (31 ½) cents state tax rate on real property and thirty (30) cents of the forty-five (45) cents state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty (30) cents, as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By *June* [July] 1 each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by *June* [July] 1, the department shall, when real property assessments *of* [equaling] at least seventy-five percent (75%) of the *total number of counties of the Commonwealth* [estimated total value of the real property assessments] have been certified, make an estimate of the *real property assessments of the* uncertified *counties* [amount] and compute the state tax rate.

Section 3. KRS 133.030 is amended to read as follows:

(1) The county board of assessment appeals shall convene at the county seat on the *third* [second] Monday in *April* [June] in each year; except that no meeting shall be held until the tax roll has been completed and the inspection period has been held as provided by law, or until revaluation of the property has been completed by the property valuation administrator at the direction of the department of revenue as provided by KRS 132.690 or by the department itself as provided by KRS 133.150. All records of the property valuation administrator, including all data concerning property sales within the preceding year, shall be available to the board while meeting.

(2) The first regular meeting day of the board shall be devoted to a review of the appeals filed with the county clerk as clerk of the board, including a review of recent sales of comparable properties provided

in accordance with the provisions of subsection (1) of this section, and an inspection of the properties involved in the appeals when in the opinion of the board such inspection will assist in the proper determination of fair cash value.

(3) The board of assessment appeals shall continue in session only such time as is necessary to hear appeals. The board shall not continue in session more than one (1) day if there are no appeals to be heard nor more than five (5) days after it convenes in each year, unless an extension of time is authorized by the department of revenue upon request of the county judge/executive. Each board member shall be paid not less than ten (10) nor more than twenty-five dollars ($25.00) for each day he serves, the amount to be fixed by order of the fiscal court annually prior to May 1. This compensation shall be paid one-half (½) out of the county levy and the other half out of the state treasury.

(4) Members of temporary panels of the board shall serve at the pleasure of the county judge/executive, Provided however, That their appointment shall be limited to the time necessary for hearing appeals but in no case more than five (5) days except upon approval of an extension of time by the department of revenue. Compensation of panel members shall be in the same manner and at the same rate as provided for members of the board.

Section 4. KRS 133.040 is amended to read as follows:

(1) On or before the second Monday in February, the property valuation administrator shall submit to the department of revenue, on forms provided by the department, a recapitulation of all real property assessed in his county. Such recapitulation shall show the assessment of real property by classification of real property and by taxing district. Within thirty (30) calendar days after receiving the recapitulation, the department of revenue shall direct the property valuation administrator to make any changes that are necessary to correct the real property assessment.

(2) The property valuation administrator shall complete the tax roll of all property in his county before the *second* [first] Monday in *March* [May] of each year in accordance with law, and on or before that date he shall file with the department of revenue, on blanks to be forwarded by the department, a recapitulation of all property assessed on said tax roll with his official certificate attached thereto. Such recapitulation shall show the assessment of property by types of property and by taxing districts. The property valuation administrator shall file with the department of revenue at the same time the schedules containing a list of the intangible personal property. Within thirty (30) calendar days after receiving the recapitulation the department of revenue shall direct the property valuation administrator to make any changes that are necessary to correct the assessment. The department of revenue shall preserve all recapitulations and schedules or a photographic facsimile thereof for a period of seven (7) years from the assessment date.

(3) At the time the property valuation administrator submits his real estate recapitulation and his total property recapitulation to the department he shall submit a copy of the recapitulations to the city clerk of each city in the county using the property valuation administrator's tax roll, the county judge/executive in each county, the treasurer or chief officer of each special district in the county, the chief administrative officer of the urban county and the superintendent of each local school district in his county.

Section 5. KRS 133.045 is amended to read as follows:

(1) The tax roll shall be open for inspection in the property valuation administrator's office for *twelve (12)* [five (5)] days beginning on the first Monday in *April* [June] of each year *and shall be open for inspection for six (6) days each week one (1) of which shall be Saturday.* In case of necessity, the department of revenue may order a reasonable extension of time for the inspection period of the tax roll or it may order that the inspection period be at a different time than that provided herein.

(2) The property valuation administrator shall cause to be published once during the week before the beginning of inspection period, as provided in subsection (1) of this section, in a display type advertisement, the following information:

(a) The fact that the tax roll is open for public inspection;

(b) The dates of the inspection period;

(c) The times available for public review of the tax roll; and

(d) Instructions which provide details on the manner in which a taxpayer may file an appeal, if he is aggrieved by an assessment made by the property valuation administrator.

[The property valuation administrator shall publish pursuant to KRS chapter 424, a notice as to the time of the inspection period.] The cost of such notice shall be paid by the fiscal court of the county. Such notice shall also be posted at the courthouse door. Failure to publish or post notices when the inspection period is at the regular time as provided in this section shall not invalidate assessments made by the property valuation administrator and recorded on the tax roll prior to the inspection period.

(3)[(2)] The tax roll shall be available to the public at reasonable times, other than that provided in subsection (1), and in a manner not unduly interfering with proper operation of the custodian's office and so long as the inspection of the roll or disclosure of information contained therein would not be detrimental to public interest or used for commercial or business purposes unrelated to property valuation and assessment.

Section 6. KRS 133.120 is amended to read as follows:

(1) Any taxpayer aggrieved by an assessment made by the property valuation administrator may appeal to the board of assessment appeals. *The taxpayer shall appeal his assessment by filing in person or sending* [, however, no appeals shall be accepted by the board of assessment unless] a letter or other written petition stating the reasons for appeal, identifying the property for which the appeal is filed and stating the taxpayer's opinion of the fair cash value of the property *with or to* [, shall be filed with] the county clerk within the *twelve* [five]-day period in which the inspection period [is held]. The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the department of revenue, county judge/executive, mayor of any city using the county assessment or the superintendent of any school district in which the property is located, provided, such recommendation is made to the board in writing specifying the individual properties recommended for review. If the board of assessment appeals determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by subsection (4) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase. Any property owner who has listed his property with the property valuation administrator at its fair cash value, likewise may ask the county board of assessment appeals to review the assessments of properties he believes to be assessed at less than fair cash value, providing, he specifies, in writing the individual properties for which the review is sought and factual information upon which his request is based; such as, comparable sales or cost data. Nothing in this section shall be construed as granting any property owner the right to request a blanket review of properties or the board the power to conduct such a review.

(2) The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection (1) of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value. The board shall report to the property valuation administrator any property omitted from the tax roll. The property valuation administrator shall assess such property and immediately give notice to the taxpayer in the manner required by KRS 132.450(4), specifying a date when the board of assessment appeals will hear the taxpayer, if he so desires, in protest of the action of the property valuation administrator.

(3) The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.

(4) The powers of the board of assessment appeals shall be limited to those specifically granted by this section.

(5) No appeal under this section shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county and district taxes due on the valuation which he claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal, the court or the Kentucky board of tax appeals shall certify the valuation to the county clerk and the taxpayer shall be billed for any additional tax and six percent (6%) interest from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to such tax bill.

(6) Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky board of tax appeals.

(7) It shall be the duty of the county attorney to represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. In the event the county attorney is unable to represent the state and county, he or the fiscal court shall arrange for substitute representation.

Section 7. KRS 133.125 is amended to read as follows:

(1) The county clerk, or an authorized deputy, shall act as clerk of the board of assessment appeals; and where additional board panels are appointed, as provided by law, one (1) authorized deputy shall act as clerk for each panel. An accurate record of the proceedings and orders of the board and of each of its authorized panels shall be kept and shall show the name of the owner of the property, the description, the type of property, the amount of the assessment the property valuation administrator placed on the property, and the amount of change made in the assessment by the board. A copy certified by the chairman of the board and attested by the county clerk shall be filed by the clerk with the property valuation administrator and with the department of revenue within five (5) days after the adjournment of the board.

(2) After receipt of the clerk's certification of the action of the board of assessment appeals, the property valuation administrator shall complete his rolls by adding to them all listings and assessments which he may have made after the rolls were open for inspection as provided in KRS 133.045 and making all adjustments ordered by the board, and he shall turn the rolls over to the clerk within ten (10) days after the board adjourns. Whereupon the clerk shall make a recapitulation of the assessment by taxing districts and types of property and shall submit such recapitulation to the department of revenue not later than *the first Monday in May* [June 20] unless the time is extended by the department.

(3) The county clerk shall certify to the county judge/executive the number of days during which the board was in session, and the court shall enter this fact of record along with the amount due the board

members for their services. On a presentation of a copy of the order, the executive department for finance and administration shall draw a warrant on the state treasurer in favor of the board members and clerk for the amount due for their services.

(4) The county clerk and any authorized deputies serving as clerk of the board or a panel thereof shall be allowed the same compensation per day for their services as is allowed to members of the board of their county, and they shall be paid in the same manner as members of the board are paid. The county clerk and his authorized deputies shall be allowed compensation for completing and filing the record of the board and for preparing the recapitulation in the same manner as allowed for their services while acting as clerk of the board or clerk of a panel of the board.

(5) The county clerk shall not permit property valuation assessments listed on the property tax roll to be amended after the recapitulation is submitted to the department of revenue.

Section 8. KRS 160.470 is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the state board of education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the department of revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) Notwithstanding any statutory provisions to the contrary, no district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate for 1979-80 which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the maximum general tax rate, voted general tax rate, or voted building tax rate, respectively, that could have been levied in 1978-79, to the 1978-79 assessment, except as provided in KRS 157.565. In succeeding years, no district board of education shall levy a general tax rate, a voted general tax rate, or a voted building tax rate which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year to the preceding year's assessment, except as provided in KRS 157.565. In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) No district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate within the limits imposed in subsection (2) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in KRS 157.565, until the district board of education has complied with the provisions of subsection (10) of this section.

(4) The superintendent of public instruction shall certify to each district board of education, by June *1* [30] of each year, the following:

(a) The general tax rate, voted general tax rate, or voted building tax rate that a district board of education could levy under the provisions of subsection (2) of this section, and the amount of revenue expected to be produced by each;

(b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate, voted general tax rate, or voted building tax rate, and the amount of revenue expected to be produced by each;

(c) The general tax rate, voted general tax rate, or voted building tax rate which will produce, respectively, no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, and the amount of revenue expected to be produced by each.

(5) *The department of revenue shall submit to the superintendent of public instruction, by the third Monday in May of each year, certified property assessment data as required in KRS 133.125.* [The net assessment growth and new property determined in accordance with KRS 132.010 and 132.015 shall be certified to the superintendent of public instruction by the department of revenue by June 15 of each year.]

(6) Within thirty (30) days after the district board of education has received its assessment data, three (3) copies of the budget shall be forwarded to the state board of education for its approval or disapproval. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(7) The budget shall be disapproved by the state board of education if it is financially unsound or fails to provide for:

(a) Payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the state board of education, or

(b) Payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300 and KRS 58.010 to 58.140, with the written approval of the state board of education, or fails to comply with the law; and the state board of education shall state its reason, or reasons, for such disapproval.
In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval and resubmit the budget to the state board of education for its final approval.

(8) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax-levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective and no ad valorem levy shall be made until approved by the state board of education.

(9) Each district board of education shall, if required by the state board of education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the state board of education, and which shall be consistent in its major divisions with the general school budget previously prepared.

(10) (a) A district board of education proposing to levy a general tax rate, voted general tax rate, or voted building tax rate within the limits of subsection (2) of this section which exceed the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The district board of education shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The general tax rate, voted general tax rate, and voted building tax rate levied in the preceding year, and the revenue produced by those rates;

2. The general tax rate, voted general tax rate, and voted building tax rate proposed for the current year and the revenue expected to be produced by those rates;

3. The compensating general, voted general, and voted building tax rates and the revenue expected from them;

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained herein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for such testimony.

(11)(a) That portion of a general tax rate, a voted general tax rate, or a voted building tax rate, except as provided in KRS 157.565, levied by an action of a district board of education which will produce, respectively, revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, shall be subject to a recall vote or reconsideration by the district board of education, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate, voted general tax rate, or voted building tax rate, except as provided in KRS 157.565, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the district board of education has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property is subject to recall; and

3. The name, address and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 9. KRS 68.245 is amended to read as follows:

(1) Notwithstanding any statutory provisions to the contrary, no county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced from application of the preceding year's tax rate to the preceding year's assessment. The property valuation administrator shall submit an official estimate of *real and personal property and new property assessment as defined in* [net assessment growth, as determined in accordance with] KRS 132.010, to the county judge/executive by April 1 of each year.

(2) No county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits imposed in subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, until the taxing district has complied with the provisions of subsection (5) of this section. [The property valuation administrator shall submit an official estimate of new property and personal property, as determined in accordance with KRS 132.010, to the county judge/executive by April 1 of each year.]

(3) The state local finance officer shall certify to each county budget commission, by June *1* [30] of each year, the following:

(a) The tax rate that a fiscal court could levy under the provisions of subsection (1) of this section, and the amount of revenue expected to be produced by it;

(b) The compensating tax rate, as defined in KRS 132.010, and the amount of revenue expected to be produced by it;

(c) The tax rate which will produce no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, and the amount of revenue expected to be produced by it.

(4) *Real and personal property assessment and* [The net assessment growth,] new property [and personal property] determined in accordance with KRS 132.010 [and 132.015] shall be certified to the state local finance officer by the department of revenue by *the third Monday in* June [15] of each year.

(5) (a) A county fiscal court, proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) County fiscal courts of counties containing a city of the first class proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold three (3) public hearings to hear comments from the public regarding the proposed tax rate. The hearings shall be held in three (3) separate locations; each location shall be determined by dividing the county into three (3) approximately equal geographic areas, and identifying a suitable facility as near as possible to the geographic center of each area.

(c) The county fiscal court shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;

2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;

3. The compensating tax rate and the revenue expected from it;

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearings which shall be held not less than seven (7) days nor more than ten (10) days, after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained therein.

(d) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(e) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The county fiscal court may set reasonable time limits for such testimony.

(6) (a) That portion of a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, levied by an action of a county fiscal court which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property shall be subject to a recall vote or reconsideration by the taxing district, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The county fiscal court shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the county fiscal court has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property is subject to recall; and

3. The name, address and telephone number of the county clerk, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 10. KRS 133.250 is amended to read as follows:

(1) The department of revenue shall conduct sales-assessment ratio studies for each county and shall submit such a ratio to each property valuation administrator by September 1 of each year or within thirty (30) days of submission of the property valuation administrator's final recapitulation to the department as provided for in KRS 133.125, whichever date is earlier.

(2) The property valuation administrator shall begin revaluation of property in his county, in preparation for the following year's property assessment, immediately following submission of the final recapitulation to the department of revenue as provided for in KRS 133.125.

(3) *By the first day of the inspection period of each year as provided for in KRS 133.045, the property valuation administrator shall serve notice on any taxpayer whose real property assessment has been increased over the value at which it was assessed the previous year. The notice shall be given by first-class mail or as provided in the Kentucky Rules of Civil Procedure. Included in each notice shall be an explanation of the appeals process for taxpayer's aggrieved by the assessment of their property as provided in KRS 133.120.*

(4) By January 30 of each year, the department of revenue shall cause to be published in the newspaper of largest circulation in each county, a listing of the *percentage of fair cash value attainment* [level of assessment for every county for the prior tax year] of real property *assessments* [expressed as a percentage of fair cash value,] as calculated by sales-assessment ratio studies which shall be conducted by the department of revenue.

Section 11. KRS 132.260 is amended to read as follows:

(1) Every warehouse company and every person engaged in the business of furnishing storage for personal property shall by [February 1, 1961, and] February 1 of each year [thereafter], make a report to the property valuation administrator, giving, as far as possible, accurate and complete information as to all property held by them on [January 1, 1961, and] January 1 of each year [thereafter,] and the names and residences of the owners of all property so held on that date.

(2) Every person providing *hanger space, tie-down space or other storage space for aircraft, dock rental slips for parking or storing vessels or* rental space for the parking of *one or more* housetrailers shall by [February 1, 1961, and by] February 1 of each year [thereafter], report *names and addresses of all owners of aircraft, vessels and housetrailers* [the name of the owner and type and size of all housetrailers not registered in this state under KRS 186.655] on his premises on [January 1, 1961, and] January 1 of each year [thereafter] to the property valuation administrator of the county in which the property is located.

(3) The reports required by subsections (1) and (2) shall be made in accordance with the forms prescribed by the department of revenue and shall be signed and verified by the chief officer or person in charge of the business.

(4) The property valuation administrator *and other authorized department personnel* may make a personal inspection and investigation of property held in storage and premises on which *aircraft, vessels and* housetrailers are located, for the purpose of identifying and assessing such property. No person in charge of such premises shall refuse to permit the inspection and investigation.

(5) Every *person providing storage premises for aircraft, vessels and housetrailers* [operator of a trailer park or every owner of property used for such purposes when there is no operator,] shall keep a register of all *aircraft, vessels and* housetrailers which make use of the *storage premises* [trailer park]. Such register shall set forth:

(a) *For aircraft, the name of the owner, the address of the owner, aircraft make and model, year, N-NR number and serial number* [The name of the owner or occupier and all inhabitants of each housetrailer];

(b) *For vessels, the name of the owner, the address of the owner, the name, model, overall length, beam, boat type, standard horsepower and hull material; and* [The permanent and temporary post office addresses of all inhabitants;]

(c) *For housetrailers, the name of the owner and occupier, the address of the owner and the occupier, the year, length, width, number of bedrooms, baths, the permanent or temporary nature of the foundation supports, the date of arrival and departure of each housetrailer and the place of employment of the owner and the occupier* [The license numbers of all units;

(d) The state issuing such license;

(e) The date of arrival and departure of each housetrailer;

(f) The place of employment of all occupants].

(6) The *registers* [register] provided for in subsection (5) of this section shall be open to inspection to the county clerk and the property valuation administrator and all law enforcement agencies at all times.

(7) Every *person providing storage for aircraft, vessels and housetrailers* [operator of a trailer park or every owner of property used for such purposes when there is no operator,] shall during December, January and February each year furnish weekly to the property valuation administrator a copy of the *registers* [register].

Section 12. KRS 132.720 is amended to read as follows:

As used in KRS 132.260 and 132.720 to 132.750, unless the context otherwise requires:

(1) *"Aircraft" means any contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air;*

(2) "Vessel" means every description of watercraft, other than a seaplane on the water used or capable of being used as a means of transportation on the water;

(3) "Housetrailer" means any housetrailer or mobile home which is a self-propelled or nonself-propelled vehicle or similar portable structure used or maintained for use, or so constructed as to permit its being used, as a conveyance upon public streets or highways, and designed to permit the occupancy thereof as a permanent or temporary dwelling place for one or more persons, or as a sleeping place for one or more persons, or the conduct of any business or profession, occupation or trade, or which is held for sale or lease, whether resting on wheels, jacks or other foundations.

(4)[(2) "Trailer park" means any "trailer coach park" or "trailer court" or "parking space" or area of land upon which one or more housetrailers are harbored, either free of charge or for revenue purposes.

(3)] "Unit" means any single housetrailer or mobile home.

(5)[(4)] "Permanent, fixed foundation" means a foundation permanent in nature which is so constructed as to be fixed upon the surface of the land.

(6) "Person" means an individual partnership, firm, corporation, association, or other entity;

(7) "Storage premises" means premises used for storage of aircraft, vessels or housetrailers, but not limited to airports, boat docks and trailer parks.

Section 13. KRS 132.730 is amended to read as follows:

All *aircraft, vessels and* housetrailers which are within this state on January 1 each year shall be subject to all ad valorem tax levies applicable to other tangible personal property subject to full state and local rates, except that any housetrailer not licensed in this state and not remaining within this state for a period of more than ninety (90) days in any twelve (12) month period shall not have a taxable situs in this state unless an occupant is employed in this state.

The Committee Substitute to **HB 146** is as follows:

HB 146, AN ACT relating to property taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.015 is amended to read as follows:

The property valuation administrator shall maintain lists of all real property additions and real property deletions to the property tax rolls for the county or urban county, and each city, school district and special district in the county or urban county, and shall certify such lists to the department of revenue, the state local finance officer, the city clerk of each city in the county, the treasurer or chief officer of each special district in the county, and the chief administrative officer of the urban county at the time he files his recapitulation of *real* property assessed on the tax roll with the department of revenue *as required in KRS 133.040.*

Section 2. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half (31-½) cents upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five (25) cents upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen (15) cents upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen (15) cents upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen (15) cents upon property which has been certified as a pollution control facility as defined in KRS 224.850, and forty-five (45) cents upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half (1 ½) cents upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, as defined in KRS 141.205(3), and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value.

(6) Thirty (30) cents of the thirty-one and one-half (31 ½) cents state tax rate on real property and thirty (30) cents of the forty-five (45) cents state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty (30) cents, as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent

that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By *the first Monday in June* [July 1] each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by *the first Monday in June* [July 1], the department shall, when real property assessments *of* [equaling] at least seventy-five percent (75%) of the *total number of counties of the Commonwealth* [estimated total value of the real property assessments] have been certified, make an estimate of the *real property assessments of the* uncertified *counties* [amount] and compute the state tax rate.

Section 3. KRS 133.030 is amended to read as follows:

(1) The county board of assessment appeals shall convene at the county seat on the *first* [second] Monday in *May* [June] in each year; except that no meeting shall be held until the tax roll has been completed and the inspection period has been held as provided by law, or until revaluation of the property has been completed by the property valuation administrator at the direction of the department of revenue as provided by KRS 132.690 or by the department itself as provided by KRS 133.150. All records of the property valuation administrator, including all data concerning property sales within the preceding year, shall be available to the board while meeting.

(2) The first regular meeting day of the board shall be devoted to a review of the appeals filed with the county clerk as clerk of the board, including a review of recent sales of comparable properties provided in accordance with the provisions of subsection (1) of this section, and an inspection of the properties involved in the appeals when in the opinion of the board such inspection will assist in the proper determination of fair cash value.

(3) The board of assessment appeals shall continue in session only such time as is necessary to hear appeals. The board shall not continue in session more than one (1) day if there are no appeals to be heard nor more than five (5) days after it convenes in each year, unless an extension of time is authorized by the department of revenue upon request of the county judge/executive. Each board member shall be paid not less than ten (10) nor more than twenty-five dollars ($25.00) for each day he serves, the amount to be fixed by order of the fiscal court annually prior to May 1. This compensation shall be paid one-half (½) out of the county levy and the other half out of the state treasury.

(4) Members of temporary panels of the board shall serve at the pleasure of the county judge/executive, Provided however, That their appointment shall be limited to the time necessary for hearing appeals but in no case more than five (5) days except upon approval of an extension of time by the department of revenue. Compensation of panel members shall be in the same manner and at the same rate as provided for members of the board.

Section 4. KRS 133.040 is amended to read as follows:

(1) On or before the second Monday in March, the property valuation administrator shall submit to the department of revenue, on forms provided by the department, a recapitulation of all real property assessed in his county. Such recapitulation shall show the assessment of real property by classification of real property and by taxing district. Within thirty (30) calendar days after receiving the recapitulation, the department of revenue shall direct the property valuation administrator to make any changes that are necessary to correct the real property assessment.

(2) The property valuation administrator shall complete the tax roll of all property in his county before *April 1* [the first Monday in May] of each year in accordance with law, and on or before that date he shall file with the department of revenue, on blanks to be forwarded by the department, a recapitulation of all property assessed on said tax roll with his official certificate attached thereto. Such recapitulation shall show the assessment of property by types of property and by taxing districts. The property valuation administrator shall file with the department of revenue at the same time the schedules containing a list of the intangible personal property. Within thirty (30) calendar days after receiving the recapitulation the department of revenue shall direct the property valuation administrator to make any changes that are necessary to correct the assessment. The department of revenue shall preserve all recapitulations and schedules or a photographic facsimile thereof for a period of seven (7) years from the assessment date.

(3) At the time the property valuation administrator submits his real estate recapitulation and his total property recapitulation to the department he shall submit a copy of the recapitulations to the city clerk of each city in the county using the property valuation administrator's tax roll, the county judge/executive in each county, the treasurer or chief officer of each special district in the county, the chief administrative officer of the urban county and the superintendent of each local school district in his county.

Section 5. KRS 133.045 is amended to read as follows:

(1) The tax roll shall be open for inspection in the property valuation administrator's office for *twelve (12)* [five (5)] days beginning on the *second* [first] Monday in *April* [June] of each year *and shall be open*

for inspection for six (6) days each week one (1) of which shall be Saturday. In case of necessity, the department of revenue may order a reasonable extension of time for the inspection period of the tax roll or it may order that the inspection period be at a different time than that provided herein.

(2) The property valuation administrator shall cause to be published once during the week before the beginning of inspection period, as provided in subsection (1) of this section, in a display type advertisement, the following information:

(a) The fact that the tax roll is open for public inspection;

(b) The dates of the inspection period;

(c) The times available for public review of the tax roll; and

(d) Instructions which provide details on the manner in which a taxpayer may file an appeal, if he is aggrieved by an assessment made by the property valuation administrator.

[The property valuation administrator shall publish pursuant to KRS chapter 424, a notice as to the time of the inspection period.] The cost of such notice shall be paid by the fiscal court of the county. Such notice shall also be posted at the courthouse door. Failure to publish or post notices when the inspection period is at the regular time as provided in this section shall not invalidate assessments made by the property valuation administrator and recorded on the tax roll prior to the inspection period.

(3)[(2)] The tax roll shall be available to the public at reasonable times, other than that provided in subsection (1), and in a manner not unduly interfering with proper operation of the custodian's office and so long as the inspection of the roll or disclosure of information contained therein would not be detrimental to public interest or used for commercial or business purposes unrelated to property valuation and assessment.

Section 6. KRS 133.120 is amended to read as follows:

(1) Any taxpayer aggrieved by an assessment made by the property valuation administrator may appeal to the board of assessment appeals. *The taxpayer shall appeal his assessment by filing in person or sending* [, however, no appeals shall be accepted by the board of assessment unless] a letter or other written petition stating the reasons for appeal, identifying the property for which the appeal is filed and stating the taxpayer's opinion of the fair cash value of the property *with or to* [, shall be filed with] the county clerk within the *twelve* [five]-day period in which the inspection period [is held]. The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the department of revenue, county judge/executive, mayor of any city using the county assessment or the superintendent of any school district in which the property is located, provided, such recommendation is made to the board in writing specifying the individual properties recommended for review. If the board of assessment appeals determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by subsection (4) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase. Any property owner who has listed his property with the property valuation administrator at its fair cash value, likewise may ask the county board of assessment appeals to review the assessments of properties he believes to be assessed at less than fair cash value, providing, he specifies, in writing the individual properties for which the review is sought and factual information upon which his request is based; such as, comparable sales or cost data. Nothing in this section shall be construed as granting any property owner the right to request a blanket review of properties or the board the power to conduct such a review.

(2) The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection (1) of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value. The board shall report to the property valuation administrator any property omitted from the tax roll. The property valuation administrator shall assess such property and immediately give notice to the taxpayer in the manner required by KRS 132.450(4), specifying a date when the board of assessment appeals will hear the taxpayer, if he so desires, in protest of the action of the property valuation administrator.

(3) The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.

(4) The powers of the board of assessment appeals shall be limited to those specifically granted by this section.

(5) No appeal under this section shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county and district taxes due on the valuation which he claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal, the court or the Kentucky board of tax appeals shall certify the valuation to the county clerk and the taxpayer shall be billed for any additional tax and six percent (6%) interest from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to such tax bill.

(6) Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky board of tax appeals.

(7) It shall be the duty of the county attorney to represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. In the event the county attorney is unable to represent the state and county, he or the fiscal court shall arrange for substitute representation.

Section 7. KRS 133.125 is amended to read as follows:

(1) The county clerk, or an authorized deputy, shall act as clerk of the board of assessment appeals; and where additional board panels are appointed, as provided by law, one (1) authorized deputy shall act as clerk for each panel. An accurate record of the proceedings and orders of the board and of each of its authorized panels shall be kept and shall show the name of the owner of the property, the description, the type of property, the amount of the assessment the property valuation administrator placed on the property, and the amount of change made in the assessment by the board. A copy certified by the chairman of the board and attested by the county clerk shall be filed by the clerk with the property valuation administrator and with the department of revenue within five (5) days after the adjournment of the board.

(2) After receipt of the clerk's certification of the action of the board of assessment appeals, the property valuation administrator shall complete his rolls by adding to them all listings and assessments which he may have made after the rolls were open for inspection as provided in KRS 133.045 and making all adjustments ordered by the board, and he shall turn the rolls over to the clerk within ten (10) days after the board adjourns. Whereupon the clerk shall make a recapitulation of the assessment by taxing districts and types of property and shall submit such recapitulation to the department of revenue not later than *the third Monday in May* [June 20] unless the time is extended by the department.

(3) The county clerk shall certify to the county judge/executive the number of days during which the board was in session, and the court shall enter this fact of record along with the amount due the board members for their services. On a presentation of a copy of the order, the executive department for finance and administration shall draw a warrant on the state treasurer in favor of the board members and clerk for the amount due for their services.

(4) The county clerk and any authorized deputies serving as clerk of the board or a panel thereof shall be allowed the same compensation per day for their services as is allowed to members of the board of their county, and they shall be paid in the same manner as members of the board are paid. The county clerk and his authorized deputies shall be allowed compensation for completing and filing the record of the board and for preparing the recapitulation in the same manner as allowed for their services while acting as clerk of the board or clerk of a panel of the board.

(5) The county clerk shall not permit property valuation assessments listed on the property tax roll to be amended after the recapitulation is submitted to the department of revenue.

Section 8. KRS 160.470 is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the state board of education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the department of revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) Notwithstanding any statutory provisions to the contrary, no district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate for 1979-80 which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the maximum general tax rate, voted general tax rate, or voted building tax rate, respectively, that could have been levied in 1978-79, to the 1978-79 assessment, except as provided in KRS 157.565. In succeeding years, no district board of education shall levy a general tax rate, a voted general tax rate, or a voted building tax rate which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year to the preceding year's assessment, except as provided in KRS 157.565. In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) No district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate within the limits imposed in subsection (2) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in KRS 157.565, until the district board of education has complied with the provisions of subsection (10) of this section.

(4) The superintendent of public instruction shall certify to each district board of education, by *the second Monday in* June [30] of each year, the following:

(a) The general tax rate, voted general tax rate, or voted building tax rate that a district board of education could levy under the provisions of subsection (2) of this section, and the amount of revenue expected to be produced by each;

(b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate, voted general tax rate, or voted building tax rate, and the amount of revenue expected to be produced by each;

(c) The general tax rate, voted general tax rate, or voted building tax rate which will produce, respectively, no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, and the amount of revenue expected to be produced by each.

(5) *The department of revenue shall submit to the superintendent of public instruction, by the first Monday in June of each year, certified property assessment data as required in KRS 133.125.* [The net assessment growth and new property determined in accordance with KRS 132.010 and 132.015 shall be certified to the superintendent of public instruction by the department of revenue by June 15 of each year.]

(6) Within thirty (30) days after the district board of education has received its assessment data, three (3) copies of the budget shall be forwarded to the state board of education for its approval or disapproval. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(7) The budget shall be disapproved by the state board of education if it is financially unsound or fails to provide for:

(a) Payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the state board of education, or

(b) Payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300 and KRS 58.010 to 58.140, with the written approval of the state board of education, or fails to comply with the law; and the state board of education shall state its reason, or reasons, for such disapproval.

In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval and resubmit the budget to the state board of education for its final approval.

(8) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax-levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective and no ad valorem levy shall be made until approved by the state board of education.

(9) Each district board of education shall, if required by the state board of education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the state board of education, and which shall be consistent in its major divisions with the general school budget previously prepared.

(10) (a) A district board of education proposing to levy a general tax rate, voted general tax rate, or voted building tax rate within the limits of subsection (2) of this section which exceed the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The district board of education shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The general tax rate, voted general tax rate, and voted building tax rate levied in the preceding year, and the revenue produced by those rates;

2. The general tax rate, voted general tax rate, and voted building tax rate proposed for the current year and the revenue expected to be produced by those rates;

3. The compensating general, voted general, and voted building tax rates and the revenue expected from them;

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained herein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for such testimony.

(11)(a) That portion of a general tax rate, a voted general tax rate, or a voted building tax rate, except as provided in KRS 157.565, levied by an action of a district board of education which will produce, respectively, revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, shall be subject to a recall vote or reconsideration by the district board of education, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate, voted general tax rate, or voted building tax rate, except as provided in KRS 157.565, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the district board of education has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property is subject to recall; and

3. The name, address and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 9. KRS 68.245 is amended to read as follows:

(1) Notwithstanding any statutory provisions to the contrary, no county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced from application of the preceding year's tax rate to the preceding year's assessment. The property valuation administrator shall submit an official estimate of *real and personal property and new property assessment as defined in* [net assessment growth, as determined in accordance with] KRS 132.010, to the county judge/executive by April 1 of each year.

(2) No county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits imposed in subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, until the taxing district has complied with the provisions of subsection (5) of this section. [The property valuation administrator shall submit an official estimate of new property and personal property, as determined in accordance with KRS 132.010, to the county judge/executive by April 1 of each year.]

(3) The state local finance officer shall certify to each county budget commission, by *the second Monday in* June [30] of each year, the following:

(a) The tax rate that a fiscal court could levy under the provisions of subsection (1) of this section, and the amount of revenue expected to be produced by it;

(b) The compensating tax rate, as defined in KRS 132.010, and the amount of revenue expected to be produced by it;

(c) The tax rate which will produce no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, and the amount of revenue expected to be produced by it.

(4) *Real and personal property assessment and* [The net assessment growth,] new property [and personal property] determined in accordance with KRS 132.010 [and 132.015] shall be certified to the state local finance officer by the department of revenue by *the first Monday in* June [15] of each year.

(5) (a) A county fiscal court, proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable

for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) County fiscal courts of counties containing a city of the first class proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold three (3) public hearings to hear comments from the public regarding the proposed tax rate. The hearings shall be held in three (3) separate locations; each location shall be determined by dividing the county into three (3) approximately equal geographic areas, and identifying a suitable facility as near as possible to the geographic center of each area.

(c) The county fiscal court shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;

2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;

3. The compensating tax rate and the revenue expected from it;

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearings which shall be held not less than seven (7) days nor more than ten (10) days, after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained therein.

(d) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(e) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The county fiscal court may set reasonable time limits for such testimony.

(6) (a) That portion of a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, levied by an action of a county fiscal court which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property shall be subject to a recall vote or reconsideration by the taxing district, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The county fiscal court shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the county fiscal court has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property is subject to recall; and

3. The name, address and telephone number of the county clerk, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 10. KRS 133.250 is amended to read as follows:

(1) The department of revenue shall conduct sales-assessment ratio studies for each county and shall submit such a ratio to each property valuation administrator by September 1 of each year or within thirty (30) days of submission of the property valuation administrator's final recapitulation to the department as provided for in KRS 133.125, whichever date is earlier.

(2) The property valuation administrator shall begin revaluation of property in his county, in preparation for the following year's property assessment, immediately following submission of the final recapitulation to the department of revenue as provided for in KRS 133.125.

(3) *By the last working day of December each year, the property valuation administrator shall serve notice on any taxpayer whose real property assessment has been increased over the value at which it was*

assessed the previous year. The notice shall be given by first-class mail or as provided in the Kentucky Rules of Civil Procedure. Included in each notice shall be an explanation of the appeals process for taxpayer's aggrieved by the assessment of their property as provided in KRS 133.120.

(4) By January *15* [30] of each year, the department of revenue shall cause to be published in the newspaper of largest circulation in each county, a listing of the *percentage of fair cash value attainment* [level of assessment for every county for the prior tax year] of real property *assessments* [expressed as a percentage of fair cash value,] as calculated by sales-assessment ratio studies which shall be conducted by the department of revenue.

Section 11. KRS 132.260 is amended to read as follows:

(1) Every warehouse company and every person engaged in the business of furnishing storage for personal property shall by [February 1, 1961, and] February 1 of each year [thereafter], make a report to the property valuation administrator, giving, as far as possible, accurate and complete information as to all property held by them on [January 1, 1961, and] January 1 of each year [thereafter,] and the names and residences of the owners of all property so held on that date.

(2) Every person providing *hanger space, tie-down space or other storage space for aircraft, dock rental slips for parking or storing vessels or* rental space for the parking of *one or more* housetrailers shall by [February 1, 1961, and by] February 1 of each year [thereafter], report *names and addresses of all owners of aircraft, vessels and housetrailers* [the name of the owner and type and size of all housetrailers not registered in this state under KRS 186.655] on his premises on [January 1, 1961, and] January 1 of each year [thereafter] to the property valuation administrator of the county in which the property is located.

(3) The reports required by subsections (1) and (2) shall be made in accordance with the forms prescribed by the department of revenue and shall be signed and verified by the chief officer or person in charge of the business.

(4) The property valuation administrator *and other authorized department personnel* may make a personal inspection and investigation of property held in storage and premises on which *aircraft, vessels and* housetrailers are located, for the purpose of identifying and assessing such property. No person in charge of such premises shall refuse to permit the inspection and investigation.

(5) Every *person providing storage premises for aircraft, vessels and housetrailers* [operator of a trailer park or every owner of property used for such purposes when there is no operator,] shall keep a register of all *aircraft, vessels and* housetrailers which make use of the *storage premises* [trailer park]. Such register shall *be prescribed by the department of revenue.* [set forth:

(a) The name of the owner or occupier and all inhabitants of each housetrailer;
(b) The permanent and temporary post office addresses of all inhabitants;
(c) The license numbers of all units;
(d) The state issuing such license;
(e) The date of arrival and departure of each housetrailer;
(f) The place of employment of all occupants.]

(6) The *registers* [register] provided for in subsection (5) of this section shall be open to inspection to the county clerk and the property valuation administrator and all law enforcement agencies at all times.

(7) Every *person providing storage for aircraft, vessels and housetrailers* [operator of a trailer park or every owner of property used for such purposes when there is no operator,] shall during December, January and February each year furnish weekly to the property valuation administrator a copy of the *registers* [register].

Section 12. KRS 132.720 is amended to read as follows:

As used in KRS 132.260 and 132.720 to 132.750, unless the context otherwise requires:

(1) *"Aircraft" means any contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air;*

(2) "Vessel" means every description of watercraft, other than a seaplane on the water used or capable of being used as a means of transportation on the water;

(3) "Housetrailer" means any housetrailer or mobile home which is a self-propelled or nonself-propelled vehicle or similar portable structure used or maintained for use, or so constructed as to permit its being used, as a conveyance upon public streets or highways, and designed to permit the occupancy thereof as a permanent or temporary dwelling place for one or more persons, or as a sleeping place for one or more persons, or the conduct of any business or profession, occupation or trade, or which is held for sale or lease, whether resting on wheels, jacks or other foundations.

(4)[(2) "Trailer park" means any "trailer coach park" or "trailer court" or "parking space" or area of land upon which one or more housetrailers are harbored, either free of charge or for revenue purposes.

(3)] "Unit" means any single housetrailer or mobile home.

(5)[(4)] "Permanent, fixed foundation" means a foundation permanent in nature which is so constructed as to be fixed upon the surface of the land.

(6) "Person" means an individual partnership, firm, corporation, association, or other entity;

(7) "Storage premises" means premises used for storage of aircraft, vessels or housetrailers, but not limited to airports, boat docks and trailer parks.

Section 13. KRS 132.730 is amended to read as follows:

All *aircraft, vessels and* housetrailers which are within this state on January 1 each year shall be subject to all ad valorem tax levies applicable to other tangible personal property subject to full state and local rates, except that any *aircraft, vessel or* housetrailer not licensed in this state and not remaining within this state for a period of more than ninety (90) days in any twelve (12) month period shall not have a taxable situs in this state unless an *owner or* occupant is employed in this state.

HB 147, AN ACT relating to legislative approval of certain state fiscal obligations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 56 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the board of a state college or university shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 2. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 56 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 3. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, any department or agency of the state government shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 4. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the capital plaza authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 5. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Churchill Downs authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 65 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, any agency of the state government shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 7. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 117 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission or its successor shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 8. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 148 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Breaks Interstate Park commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 9. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 148 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Falls of the Ohio Interstate Park commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 10. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 151 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the water resources authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 11. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 154 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky development finance authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 12. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 157 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky school building authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 13. A NEW SECTION OF KRS CHAPTER 162 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 162 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 164 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the board of trustees of the University of Louisville shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 15. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 164A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky higher education student loan corporation shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 16. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 175 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the turnpike authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 17. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 177 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the bureau of highways shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 18. A NEW SECTION OF KRS CHAPTER 180 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 180 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the bureau of highways shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 19. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 198A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky housing corporation shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 20. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 216 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky health and geriatrics authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 21. A NEW SECTION OF KRS CHAPTER 224A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 224A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky pollution abatement authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 22. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 247 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state fair board shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 23. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 183 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the department of transportation shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 24. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any statutory provisions to the contrary, exclusive of the provisions set out in Sections 1 through 12 of this Act, no individual, agency, authority, board, cabinet, commission, corporation, or other entity of, or representing the Commonwealth of Kentucky, shall enter into any contract with any individual or agency, whether private or governmental, when the satisfaction of said contract requires, or could require, the appropriation of state funds not yet appropriated, without first obtaining approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the contract, its nature and purpose, and the potential liability of the state if the contract is executed. The joint resolution shall also provide by appropriation for the first year's fiscal obligation.

The Committee Substitute to **HB 147** is as follows:

HB 147, AN ACT relating to legislative approval of certain state fiscal obligations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 56 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the board of a state college or university shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 2. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 56 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 3. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, any department or agency of the state government shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority,

will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 4. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the capital plaza authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 5. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Churchill Downs authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 65 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, any agency of the state government shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 7. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 117 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission or its successor shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency

receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 8. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 148 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Breaks Interstate Park commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 9. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 148 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Falls of the Ohio Interstate Park commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 10. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 151 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the water resources authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 11. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 154 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky development finance authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 12. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 157 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky school building authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 13. A NEW SECTION OF KRS CHAPTER 162 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 162 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 164 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the board of trustees of the University of Louisville shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 15. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 164A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky higher education student loan corporation shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by

an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 16. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 175 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the turnpike authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 17. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 177 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the bureau of highways shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the projects, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 18. A NEW SECTION OF KRS CHAPTER 180 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 180 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the bureau of highways shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 19. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 198A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky housing corporation shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the

general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 20. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 216 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky health and geriatrics authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 21. A NEW SECTION OF KRS CHAPTER 224A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 224A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky pollution abatement authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 22. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 247 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state fair board shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 23. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 183 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the department of transportation shall first obtain approval

of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 24. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any statutory provisions to the contrary, exclusive of the provisions set out in Sections 1 through 12 of this Act, no individual, agency, authority, board, cabinet, commission, corporation, or other entity of, or representing the Commonwealth of Kentucky, shall enter into any contract with any individual or agency, whether private or governmental, when the satisfaction of said contract requires, or could require, the appropriation of state funds not yet appropriated, without first obtaining approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the contract, its nature and purpose, and the potential liability of the state if the contract is executed. The joint resolution shall also provide by appropriation for the first year's fiscal obligation.

The Committee on Judiciary reported **HB 43,** with Committee Amendment attached thereto, **HB 61,** and **HB 94** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 43, AN ACT relating to pretrial release.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 431.520 is amended to read as follows:

Any person charged with an offense shall be ordered released by a court of competent jurisdiction pending trial on his personal recognizance or upon the execution of an unsecured bail bond in an amount set by the court or as fixed by the Supreme Court as provided by KRS 431.540, unless the court determines, in the exercise of its discretion that such a release will not reasonably assure the appearance of the person as required, *or that the person charged likely will or may commit an additional crime or crimes if released, or will or may constitute a danger to the community or to any person or persons if released.* When such a determination is made, the court shall, either in lieu of or in addition to the above methods of release, impose any of the following conditions of release:

(1) Place the person in the custody of a designated person or organization agreeing to supervise him;

(2) Place restrictions on the travel, association, or place of abode of the person during the period of release;

(3) Require the execution of a bail bond:

(a) With sufficient personal surety or sureties acceptable to the court; in determining the sufficiency of such surety, or sureties, the court shall consider his character, his place of residence, his relationship with the defendant and his financial and employment circumstances; or

(b) With the 10% deposit as provided in KRS 431.530; or

(c) With the deposit of cash equal to the amount of the bond or in lieu thereof acceptable security as provided in KRS 431.535;

(4) Impose any other condition deemed reasonably necessary to assure appearance as required, including a condition requiring that the person return to custody after specified hours;

(5) A court authorizing the release of a person pursuant to this section shall cause the issuance of an appropriate order containing a statement of the conditions imposed, if any, shall cause such person to be informed of the penalties applicable to violations of the conditions of his release, and shall cause him to be informed that a warrant for his arrest will be issued immediately upon any such violation;

(6) A person for whom conditions of release are imposed and who after twenty-four hours from the time of the imposition of said conditions continues to be detained as a result of his inability to meet the conditions of release, shall, upon written application or upon the court's own motion, be entitled to have the conditions reviewed by the court which imposed them. A person who is ordered released on a condition which

requires that he return to custody after specified hours shall, upon written application or upon the court's own motion, be entitled to a review by the court which imposed the condition;

(7) If at any time following release of a defendant and before he is required to appear for trial, the court is advised of a material change in the defendant's circumstances or that he has not complied with all conditions imposed upon his release, the court having jurisdiction may: (a) order the arrest of the defendant, (b) enter an order requiring the defendant, his surety or sureties to appear and show cause why the bail bond should not be forfeited or the conditions of his release be changed, or (c) both. A copy of said order shall be served upon the defendant, his surety or sureties. If the defendant fails to appear before the court as ordered or if, after hearing, the court finds the conditions of release have not been complied with, the court may change the conditions imposed or forfeit the bail bond or any portion thereof and enter a judgment for the Commonwealth against the defendant and his surety or sureties for the amount of the bail bond or any portion thereof and cost of the proceedings.

Section 2. KRS 431.525 is amended to read as follows:

(1) The amount of the bail shall be:

(a) Sufficient to insure compliance with the conditions of release set by the court;

(b) Not oppressive;

(c) Commensurate with the nature of the offense charged;

(d) Considerate of the past criminal acts and the reasonably anticipated conduct of the defendant if released; [and]

(e) *Considerate of the probability or possibility that the accused may commit other crimes if released;*

(f) Considerate of the danger to the community or to any person or persons who may be occasioned by the accused if released; and

(g) Considerate of the financial ability of the defendant.

(2) When a person is charged with an offense punishable by fine only the amount of the bail bond set shall not exceed the amount of the maximum penalty and costs;

(3) When a person has been convicted of an offense and only a fine has been imposed the amount of the bail shall not exceed double the amount of the fine.

The Committee Amendment to **HB 43** is as follows:

Amend printed copy of **HB 43** on page 4, lines 5 through 26 in their entirety, and on page 5 by deleting lines 1 through 3 in their entirety.

HB 61, AN ACT relating to public advocates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 31.100 is amended to read as follows:

With regard to the district public advocate and approved local programs of providing counsel for indigents the following terms and standards shall apply, subject to further definition and regulation by the office for public advocacy.

(1) "Detain" means to have in custody or otherwise deprive of freedom of action;

(2) "Expenses," when used with reference to representation under this chapter, includes the expenses of investigation, other preparation, and trial, together with the expenses of any appeal;

(3) "Needy person" or "indigent person" means a person who at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation;

(4) "Serious crime" includes:

(a) A felony;

(b) A misdemeanor or offense any penalty for which includes the possibility of confinement or a fine *in excess* of five hundred dollars ($500) [or more]; and

(c) An act that, but for the age of the person involved, would otherwise be a serious crime.

HB 94, AN ACT relating to real property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 381.050 is amended to read as follows:

(1) If real estate is conveyed or devised to husband and wife, unless a right by survivorship is expressly provided for, there shall be no mutual right to the entirety by survivorship between them, but they shall take as tenants in common, and the respective moieties shall be subject to the respective rights of the husband or wife as fixed in KRS Chapter 392, with all other incidents to such tenancy.

(2) Where a conveyance or devise expressly creates a mutual right to the entirety by survivorship in real estate between a husband and wife, no provision of the will of the husband or wife shall be construed to defeat such right to the entirety by survivorship of the surviving spouse.

The Committee on State Government reported **HB 102,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 102, AN ACT relating to personal service contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.710 is amended to read as follows:

(1) No personal service contract made by any contracting body after *the effective date of this Act* [July 1, 1978], shall become effective until after *three (3)* [seven (7)] copies of the personal service contract are *filed with* [forwarded to the office of] the legislative research commission *and notice of approval by the subcommittee is returned to the agency.* Each service contract shall have a [clause authorizing] cancellation *clause not to exceed* [by the contracting agency on] thirty (30) days' notice to the contractee.

(2) Each copy of a proposed personal service contract submitted to the legislative research commission shall be accompanied by documentation of:

(a) The need for such service; and

(b) The unavailability of state personnel to perform such service or the non-feasibility of utilizing state personnel to perform such service.

(3) The legislative research commission shall cause to be endorsed on the copies of each personal service contract submitted the time and date of the filing thereof and shall maintain a file of such personal service contracts for public inspection, with suitable indexes.

Section 2. KRS 45.715 is amended to read as follows:

(1) There is hereby created a permanent subcommittee of the legislative research commission to be known as the personal service contract review subcommittee. The subcommittee shall be composed of seven (7) members which shall include members of the minority party as nearly proportioned to their membership in the general assembly as mathematically possible. The legislative research commission shall appoint from the membership of the general assembly, the members of the subcommittee for terms of two (2) years, and the members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly scheduled meeting after the occurrence of the vacancy.

(2) The subcommittee shall meet monthly at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings, as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).

(4) All copies of proposed personal service contracts received by the legislative research commission shall be submitted to the subcommittee to:

(a) Examine the stated need for the contract service;

(b) Examine whether the service could or should be performed by state personnel; and

(c) Examine the cost and duration of the contract.

The subcommittee's finding that the contract service is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive shall be reported to the contracting body. In the event the subcommittee believes that the contract service, other than an emergency contract approved by the governor, is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive, the subcommittee shall attach to the personal service contract a written notation of its *disapproval* [objection], including a statement of the reasons therefor, and shall return the personal service contract to the contracting body. Notice of such *disapproval* [objection] shall be given by the subcommittee to the director of the legislative research commission. The subcommittee shall act on a personal service contract submitted to the legislative research commission within thirty (30) days of the submission of the personal service contract.

[(5) The contracting body shall report to the subcommittee in any case where objections were made, stating the contracting body's position and whether a cancellation or modification is proposed within sixty (60) days of receipt of the objections.

(6) In the event a contracting body reports to the subcommittee and does not propose action to comply with the objections, the personal service contract shall be referred by the director of the legislative research commission to the appropriations and revenue committees of the house of representatives and senate or to the interim committee on appropriations and revenue for review. In the event the standing committees of the house and senate or the interim committee determines that the contract service is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive, the standing committees or the interim committee shall attach to the personal service contract a written notation of its objection, including a statement of the reasons therefor, and the director shall send a copy of the objections to the contracting body and to the governor.

(7) The contracting body may revise a personal service contract to comply with the interim or standing committees' objections, and may return a copy of the revised personal service contract to said committee, or may return a copy of the personal service contract with the interim or standing committees' notation attached, without change.

(8) The subcommittee shall report monthly to the legislative research commission all action taken on contracting bodies' personal service contracts. The director of the legislative research commission shall report to the commission all action taken by the standing committees or by the interim committee.

(9) All personal service contracts objected to by the subcommittee and by the standing committees or interim committee and not revised by the contracting body together with the notations of the subcommittee's, the standing committees', or interim committee's objection shall be transmitted by the director to the clerk of the senate and the clerk of the house of representatives on or before the first day of each regular session of the general assembly. The clerk of the senate and clerk of the house of representatives shall lay all such disputed personal service contracts before the senate and the house of representatives, respectively, for such action, as the respective legislative bodies may determine to be appropriate.]

Section 3. Whereas, personal service contracts for fiscal year 1980-81 will be negotiated prior to July 1, 1980; and whereas the General Assembly finds that it is imperative that excessive expenditures for such contracts be eliminated through the review procedure required by this Act, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

The Committee Substitute to **HB 102** is as follows:

HB 102, AN ACT relating to personal service contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.710 is amended to read as follows:

(1) No personal service contract made by any contracting body after *the effective date of this Act* [July 1, 1978], shall become effective until after *three (3)* [seven (7)] copies of the personal service contract are *filed with* [forwarded to the office of] the legislative research commission. Each service contract shall have a [clause authorizing] cancellation *clause not to exceed* [by the contracting agency on] thirty (30) days' notice to the contractee.

(2) Each copy of a proposed personal service contract submitted to the legislative research commission shall be accompanied by documentation of:

(a) The need for such service; and

(b) The unavailability of state personnel to perform such service or the non-feasibility of utilizing state personnel to perform such service.

(3) The legislative research commission shall cause to be endorsed on the copies of each personal service contract submitted the time and date of the filing thereof and shall maintain a file of such personal service contracts for public inspection, with suitable indexes.

(4) Payment on contracts submitted to the subcommittee shall not be made before completion of the review procedure provided for in Section 2 of this Act unless the secretary of the department of finance determines that an emergency exists. Notification and explanation of the emergency shall be forwarded to the subcommittee along with the personal service contract for which emergency payment is deemed necessary.

Section 2. KRS 45.715 is amended to read as follows:

(1) There is hereby created a permanent subcommittee of the legislative research commission to be known as the personal service contract review subcommittee. The subcommittee shall be composed of seven

(7) members which shall include members of the minority party as nearly proportioned to their membership in the general assembly as mathematically possible. The legislative research commission shall appoint from the membership of the general assembly, the members of the subcommittee for terms of two (2) years, and the members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly scheduled meeting after the occurrence of the vacancy.

(2) The subcommittee shall meet monthly at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings, as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).

(4) All copies of proposed personal service contracts received by the legislative research commission shall be submitted to the subcommittee to:

(a) Examine the stated need for the contract service;
(b) Examine whether the service could or should be performed by state personnel; and
(c) Examine the cost and duration of the contract.

The subcommittee's finding that the contract service is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive shall be reported to the contracting body. In the event the subcommittee believes that the contract service, other than an emergency contract approved by the governor, is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive, the subcommittee shall attach to the personal service contract a written notation of its *disapproval or* objection, including a statement of the reasons therefor, and shall return the personal service contract to the contracting body. Notice of such *disapproval or* objection shall be given by the subcommittee to the director of the legislative research commission. The subcommittee shall act on a personal service contract submitted to the legislative research commission within thirty (30) days of the submission of the personal service contract.

(5) *All personal service contracts objected to or disapproved by the subcommittee shall be forwarded to the department of finance. The secretary of the department of finance shall determine whether a personal service contract:*

(a) Shall be revised to comply with the objections of the subcommittee; or
(b) Cancelled if disapproved by the subcommittee; or
(c) Remain effective as originally approved by the department of finance.

(6) The department of finance shall notify the subcommittee of the action taken on personal service contracts referred to the department of finance by the subcommittee within thirty (30) days from the date the contracts were reviewed by the subcommittee.

(7) The subcommittee shall report monthly to the legislative research commission all action taken on personal service contracts by the department of finance and the subcommittee [The contracting body shall report to the subcommittee in any case where objections were made, stating the contracting body's position and whether a cancellation or modification is proposed within sixty (60) days of receipt of the objections.

(6) In the event a contracting body reports to the subcommittee and does not propose action to comply with the objections, the personal service contract shall be referred by the director of the legislative research commission to the appropriations and revenue committees of the house of representatives and senate or to the interim committee on appropriations and revenue for review. In the event the standing committees of the house and senate or the interim committee determines that the contract service is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive, the standing committees or the interim committee shall attach to the personal service contract a written notation of its objection, including a statement of the reasons therefor, and the director shall send a copy of the objections to the contracting body and to the governor.

(7) The contracting body may revise a personal service contract to comply with the interim or standing committees' objections, and may return a copy of the revised personal service contract to said committee, or may return a copy of the personal service contract with the interim or standing committees' notation attached, without change.

(8) The subcommittee shall report monthly to the legislative research commission all action taken on contracting bodies' personal service contracts. The director of the legislative research commission shall report to the commission all action taken by the standing committees or by the interim committee.

(9) All personal service contracts objected to by the subcommittee and by the standing committees or interim committee and not revised by the contracting body together with the notations of the subcommittee's, the standing committees', or interim committee's objection shall be transmitted by the director to the clerk of the senate and the clerk of the house of representatives on or before the first day of each regular session of the general assembly. The clerk of the senate and clerk of the house of representatives shall lay all such disputed personal service contracts before the senate and the house of representatives, respectively, for such action, as the respective legislative bodies may determine to be appropriate].

Section 3. KRS 45.990 is amended to read as follows:

(1) Any officer, agent or employe of any budget unit who wilfully fails or refuses to comply with any of the provisions of KRS 45.010 to 45.170, 45.190 to 45.300, 45.320 or 45.330, or who expends any money in violation of any of the provisions of those sections, shall be subject to indictment in the Franklin Circuit Court, and upon conviction shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) for each offense.

(2) If any person incurs, or orders or votes for the incurrence of, any obligations in violation of any of the provisions of subsection (2) of KRS 45.190, he and his sureties shall be jointly and severally liable therefor.

(3) Any violation of KRS 45.360 shall be punished by a fine of not more than five thousand dollars ($5,000) or by a prison sentence of not more than five (5) years, or by both fine and imprisonment in the discretion of the jury. imprisoned in the discretion of the jury.

(4) Any person who violates any of the provisions of KRS 45.460 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or be imprisoned not less than one (1) year nor more than five (5) years, or both such fine and imprisonment. Any firm, corporation, or association which violates any of the provisions of KRS 45.460 shall, upon conviction, be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000).

(5) Any employe of the division of purchases, or any official of the Commonwealth of Kentucky, elective or appointive, who shall take, receive, or offer to take or receive, either directly or indirectly, any rebate, percentage of contract, money, or other things of value, as an inducement or intended inducement in the procurement of business, or the giving of business, including but not limited to personal service contracts, for, or to, or from, any person, partnership, firm or corporation, offering, bidding for, or in open market seeking to make sales to the Commonwealth of Kentucky, shall be deemed guilty of a felony and upon conviction such person or persons shall be punished by a fine not to exceed five thousand dollars ($5,000) or by imprisonment in the penitentiary for not more than ten (10) years, or both so fined and imprisoned in the discretion of the jury.

(6) Every person, firm, or corporation offering to make, or pay, or give, any rebate, percentage of contract, money or any other thing of value, as an inducement or intended inducement, in the procurement of business, or the giving of business, including but not limited to personal service contracts, to any employe of the division of purchases or to any official of the Commonwealth, elective or appointive, in his efforts to bid for, or offer for sale, or to seek in the open market, shall be deemed guilty of a felony and shall be punished by a fine not to exceed five thousand dollars ($5,000) or by imprisonment in the penitentiary for not more than ten (10) years, or both so fined and imprisoned in the discretion of the jury.

Section 4. The following KRS sections are repealed:

45.530 Professional employment commission — Members — Chairman — Meetings — Compensation — Attached to executive department for finance and administration.

45.535 Duties of commission — Procedures for review and approval of contracts.

45.540 Procedures for awarding contracts to be developed by department of personnel.

45.545 Notice of disqualification to applicant — Order of cancellation or modification of contract by commission.

Section 5. Whereas, personal service contracts for fiscal year 1980-81 will be negotiated prior to July 1, 1980; and whereas the General Assembly finds that it is imperative that excessive expenditures for such contracts be eliminated through the review procedure required by this Act, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

Orders of the Day

Representative Patrick filed the following Floor Amendment No. 1 to **HB 261:**

Amend printed copy of **HB 261,** page 1, lines 6-7, by deleting the sentence beginning with "it shall..." and ending with "manner.";

and on page 4, lines 22-23 by deleting the language "*one hundred dollars ($100) nor more than nine hundred dollars ($900)*" and

inserting in lieu thereof "*three hundred dollars ($300) nor more than one thousand dollars ($1,000).*"

HB 21, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved the adoption of the Committee Amendment No. 1 to **HB 21.** Agreed.

Representative Bruce moved that **HB 21,** as amended, be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 2-Freibert, List.

HB 21, as amended, was passed and the title agreed to.

Representative Bruce moved that the vote by which **HB 21,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 42, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of the Committee Amendment No. 1 to **HB 42.** Agreed.

Representative Holbrook moved that **HB 42,** as amended, be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, Little, Lundergan, May, Maynard, McBee, McNutt, Moberly, Morris, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Stone, Stumbo, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 14-Adams, Bronger, Burnette, Donnermeyer, Hancock, List, Mann, McKinney, Nett, Noe, Pearman, Smith, Thomas, Turner.

HB 42, as amended, was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 42,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 84, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read as length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Amendment No. 1 to **HB 84.** Agreed.

Representative LeMaster moved that **HB 84,** as amended, be passed.

Representative Dawahare moved that **HB 84,** as amended, be laid on the Clerk's desk.

On the roll call the vote was yeas 22-Allen, Blythe, Burch, Burnette, Clapp, Dawahare, Fryman, Gray, Haering, Holbrook, Maynard, McBee, McKinney, Nett, Priddy, Rattliff, Romines, Stumbo, Van Horn, Weinberg, White, Worthington. Nays 71-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Caldwell, Cawood, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Petty, Plummer, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Wilborn, Williams, Wright, Yates.

The motion that **HB 84,** as amended, be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 82-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Weinberg, White, Wilborn, Williams, Yates. Nays 13-Allen, Burnette, Clapp, Dawahare, Haering, Maynard, McBee, McKinney, Rattliff, Romines, Van Horn, Worthington, Wright.

HB 84, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 84,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 117 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved that **HB 117** be passed.

On the roll call the vote was yeas 95-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Heleringer.

HB 117 was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 117** was passed be reconsidered and said motion be postponed indefinitely. Agreed

Representative B. Richardson moved that the rules be suspended to waive the posting time requirement in regard to **HR 27** to allow Committee consideration on recess. Agreed.

Recess

Representative B. Richardson moved that the House recess for ten minutes for a meeting of the Committee on State Government. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo filed the following Floor Amendment No. 1 to **HB 11:**

Amend printed copy of **HB 11,** page 3, on 24, by adding the following:

(10) Any resident who has been declared permanently and totally disabled by the federal social security administration may, without any sport hunting or sport fishing license, do any act authorized by such license.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 323, by Representatives Isler, Petty, Donnermeyer, Mann, Caldwell, DeFalaise, and Schmidt: AN ACT proposing to amend Section 226 of the Constitution of Kentucky relative to lotteries and gift enterprises.

HB 324, by Representative Johnson: AN ACT relating to elections of officers in cities utilizing the city manager form of government.

HB 325, by Representative Clarke: AN ACT relating to the attorney general.

HB 326, by Representatives Burnette, Curd, and Crupper: AN ACT relating to contracts and purchases by local governments.

HB 327, by Representative Burnette: AN ACT relating to feeding garbage to swine, poultry, and other animals.

HB 328, by Representatives Stumbo, Cawood, Brinkley, Deskins, Dawahare, Little, Heleringer, Weinberg: AN ACT relating to the construction of mineral deeds.

HB 329, by Representative Morris: AN ACT relating to special districts.

HB 330, by Representative Pearman: AN ACT relating to annexation.

HB 331, by Representative Pearman: AN ACT relating to individual income taxes.

HB 332, by Representatives Petty, Mann, Donnermeyer, McBee, Maynard, Isler, Farrow, Caldwell, Crupper, and Thomas: AN ACT relating to barbers.

HB 333, by Representative Curd: AN ACT relating to higher education.

HB 334, by Representatives Cyrus, Smith, Priddy, Bennett, and Petty: AN ACT relating to workmen's compensation insurance.

HB 335, by Representatives Cyrus, Bennett, Petty, and Deskins: AN ACT relating to the Kentucky insurance regulatory board.

HB 336, by Representatives Jones, List, DeMarcus, and Blythe: AN ACT relating to personal service contracts.

HB 337, by Representative Holloway: AN ACT relating to labor.

HCR 35, by Representative B. Richardson: A CONCURRENT RESOLUTION inviting the Chief Justice of the Supreme Court to address a joint session of the General Assembly.

Posting of Bills and Resolutions for Consideration (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Transportation: **HB 211, HB 226.**

State Government: **HB 265.**

The Speaker Pro Tempore Hancock presiding.

Motions, Petitions, and Communications

Representative DeMarcus moved the adoption of the following Legislative Citation No. 15:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Miss Lynn Anne Spoonamore, daughter of Mr. and Mrs. James Spoonamore of Lincoln County, Kentucky, winner of the State Farm Bureau contest and crowned Queen on December 6, 1979 at the Galt House in Louisville, Kentucky. The opportunity afforded you to live on a farm with family members encompassing four generations enables you to make a unique contribution and great pride to the farming industry. Your participation as a senior in extracurricular activities at Lincoln County High School is noteworthy. This prestigious body is very proud of you and we extend to you our best wishes. (Sponsored by Representative DeMarcus)

Agreed.

Representative Clarke moved that **HB 166** be returned to the Committee on Committees for reassignment. Agreed.

Representative Blandford moved that **HB 292** be returned to the Committee on Committees for reassignment. Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Boswell, **HB 300;** Representative Brown, **HB 219;** Representative Brinkley, **HB 21;** Representative Burnette, **HB 219;** Representative Clarke, **HB 219;** Representative Clark, **HB 32, HB 53;** Representative Curd, **HB 219;** Representative Davenport **HB 11, HB 300;** Representative Donnermeyer, **HB 182;** Representative Ellington, **HB 219;** Representative Guenthner, **HB 219;** Representative Kidd, **HB 166;** Representative McBee, **HB 219;** Representative Petty, **HB 182;** Representative Rapier, **HB 219;** Representative P. Richardson, **HB 219;** Representative Riner, **HB 65;** Representative Stumbo, **HB 284;** Representative Turner, **HB 219;** Representative Robinson, **HB 284;** Representative Romines, **HB 26[illegible];** Representative Stumbo, **HB 109;** Representative Wright, **HB 65;** Representative Yates, **HB 74.**

Representative B. Richardson moved that the rules be suspended for a Report of Committees. Agreed.

Report of Committees (continued)

The Committee on State Government reported **HJR 27** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HJR 27, A JOINT RESOLUTION making an appropriation to the Legislative Research Commission for special expenses incurred in connection with sessions of the General Assembly and declaring an emergency.

WHEREAS, additional personnel are necessary to expedite properly the business of the Senate and the House of Representatives; and

WHEREAS, the present appropriation of the Legislative Research Commission is insufficient to provide adequate clerical services to the General Assembly;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That there be appropriated out of the General Expenditure Fund to the Legislative Research Commission the sum of eight thousand three hundred forty-six dollars ($8,346) per calendar day during all regular and special sessions of the General Assembly. This appropriation shall be available for expenditure during the 1979-80 and 1980-81 fiscal years.

Whereas, the General Assembly is now in session and it is necessary that these funds be available immediately, an emergency is declared to exist and this resolution shall become effective upon its passage and approval by the Governor, and shall be retroactive to include payment of compensation to such personnel from and including January 8, 1980.

Announcements

Representative Gray announced a meeting of the Committee on Labor and Industry, joint meeting, today, 4:00 p.m., Room C.

Representative Blandford announced a meeting of the Committee on Agriculture and Small Business at 9:00 a.m. instead of 8:00 a.m.

Representative Bendl announced a meeting of the Committee on Health and Welfare, tommorrow, 8:00 a.m., Room 307.

Representative Richards announced a meeting of the Committee on Education, tommorrow, 12 noon, Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Wednesday, January 23, 1980.

On the roll call the vote was yeas 76-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Davenport, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holloway, Isler, Johnson, Kidd, Lewis, List, Little, Lundergan, Mann, Maynard, McBee, McNutt, Moberly, Morris, Nett, Noe, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 6-Blythe, Deskins, Guenthner, LeMaster, Overstreet, Wright.

The motion to adjourn was adopted.

WEDNESDAY, JANUARY 23, 1980

TENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend John C. Chenault, First Christian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members were present.

Representative Brinkley moved that the reading of the Journal of January 22, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 338, by Representatives Cawood and Sale: AN ACT relating to public assistance.

HB 339, by Representatives Cawood and Tobin: AN ACT relating to health insurance.

HB 340, by Representative Burch: AN ACT relating to election precincts.

HB 341, by Representatives Romines, Priddy, McKinney, Haering, Riner, Clark, Brown, Hines, Lundergan, Yates, Bennett, Deskins, Isler, Burch, Maynard, Nett, Gray, Cyrus, and Williams: AN ACT relating to county police force merit boards.

HR 36, by Representatives Curd and Burnette: A RESOLUTION honoring Coach Mike Godfrey and the 1979 Murray State University Football Racers.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 327.**

Appropriations and Revenue: **HB 292, HB 310, HB 331.**

Banking and Insurance: **HB 335, SB 46.**

Business Organizations and Professions: **HB 166, HB 307, HB 332.**

Cities: **HB 308, HB 319, HB 330.**

Counties and Special Districts: **HB 320, HB 326, HB 329, SB 63, SB 62.**

Education: **HB 333.**

Elections and Constitutional Amendments: **HB 311, HB 313, HB 314, HB 323, HB 324.**

Energy: **HB 316.**

Health and Welfare: **HB 315.**

Judiciary: **HB 318, HB 321, HB 328.**

Labor and Industry: **HB 334, HB 337.**

Natural Resources and Environment: **HB 322.**

State Government: **HB 309, HB 312, HB 325, HB 336, HR 34.**

Transportation: **HB 317.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Health and Welfare: **SJR 8, HB 249, HB 293, HR 22.**

Business Organizations and Professions: **HB 219.**

Elections and Constitutional Amendments: **HB 272, HB 109.**

Judiciary: **HB 279, HB 280, HB 85, HB 200, HB 158, HB 50, HB 126, SB 60.**

Senate Message

Announcing passage of **SB 13** and **SB 32.**

Report of Committees

The Committee on Committees reported the following:

1. The Clerk of the House of Representatives has received a report and memorandum referring the rejected air pollution regulations of the Department of Natural Resources and Environmental Protection to the full House over the objections of the Administrative Regulations Review Subcommittee and the Interim Joint Committee on Agriculture and Natural Resources.

The Committee on Committees refers this report and memorandum with attached rejected regulations to the House Standing Committee on Natural Resources and Environment.

2. The Committee on Committees reports that it has received a report from the Attorney General, Steven L. Beshear, relating to recommendations by the Kentucky Consumer's Advisory Council and pursuant to statutory requirements, the Committee on Committees refers this report and attached proposed legislation to the Standing Committee on Labor and Industry.

MEMORANDUM

TO: Sara Bell
Clerk of the House

FROM: Vic Hellard, Jr.

RE: Rejected Air Pollution Regulations

DATE: July 3, 1979

Please find attached a copy of regulations from the Department for Natural Resources and Environmental Protection which have been refiled over the objections of the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Agriculture and Natural Resources. You will find attached hereto a listing of each regulation. These are referred to you for your submission to the House in compliance with KRS 13.087(9).

Received this 3rd day of July, 1979.

/s/ Sara Bell
Clerk of the House

* * *

401 KAR 59:046. Selected new petroleum refining processes and equipment.
401 KAR 59:050. New storage vessels for petroleum liquids.
401 KAR 59:095. New oil-effluent water separators.
401 KAR 59:100. New loading facilities at bulk gasoline terminals.
401 KAR 59:101. New bulk gasoline plants.
401 KAR 59:180. New automobile and light duty truck surface coating operations.
401 KAR 59:185. New solvent metal cleaning equipment.
401 KAR 59:190. New insulation of magnet wire operations.
401 KAR 59:195. New metal furniture surface coating operations.
401 KAR 59:200. New large appliance surface coating operations.
401 KAR 59:210. New fabric, vinyl and paper surface coating operations.
401 KAR 59:215. New can surface coating operations.
401 KAR 59:220. New coil surface coating operations.
401 KAR 61:005. General provisions.
401 KAR 61:045. Existing oil effluent water separators.
401 KAR 61:050. Existing storage vessels for petroleum liquids.
401 KAR 61:055. Existing loading facilities at bulk gasoline terminals.
401 KAR 61:056. Existing bulk gasoline plants.
401 KAR 61:060. Existing sources using organic solvents.
401 KAR 61:090. Existing automobile and light duty truck surface coating operations.
401 KAR 61:095. Existing solvent metal cleaning equipment.
401 KAR 61:100. Existing insulation of magnet wire operations.
401 KAR 61:105. Existing metal furniture surface coating operations.
401 KAR 61:110. Existing large appliance surface coating operations.
401 KAR 61:120. Existing fabric vinyl and paper surface coating operations.
401 KAR 61:125. Existing can surface coating operations.
401 KAR 61:130. Existing coil surface coating operations.
401 KAR 61:135. Selected existing petroleum refining processes and equipment.
401 KAR 63:010. Fugitive emissions.

401 KAR 59.180. New automobile and light duty truck surface coating operations.

DEPARTMENT FOR NATURAL RESOURCES AND
ENVIRONMENTAL PROTECTION
Bureau of Environmental Protection
Division of Air Pollution
Effective: June 29, 1979

RELATES TO: KRS Chapter 224
PURSUANT TO: KRS 13.082, 224.033
NECESSITY AND FUNCTION: KRS 224.033 requires the Department for Natural Resources and Environmental Protection to prescribe regulations for the prevention, abatement and control of air pollution. This regulation provides for the control of volatile organic compound emissions from new automobile and light-duty truck surface coating operations.

Section 1. Applicability. The provisions of this regulation shall apply to each affected facility commenced on or after the classification date defined below *which is located:*[.]

(1) In an urban county designated non-attainment for ozone under 401 KAR 51:010; or

(2) In any other county and is a part of a major source of volatile organic compounds.

Section 2. Definitions. As used in this regulation, all terms not defined herein shall have the meaning given to them in 401 KAR 50:010.

(1) "Affected facility" means a coating line for automobile and light-duty truck frames, small parts, wheels, and main body parts at an assembly plant *but does not include the following:*[.]

(a) Underbottom - sound deadener coatings;

(b) Zinc rich anti-rust and weld line anti-rust prime coatings;

(c) Adhesive coatings or mastics;

(d) Flexible coatings;

(e) Plastic body fillers or caulks; or

(f) Interior coatings which are applied after upholstery and interior plastic parts are attached to the body.

(2) "Applicator" means the mechanism or device used to apply the coating, including, but not limited to dipping and spraying.

(3) "Automobile" means all passenger cars or passenger car derivatives capable of seating twelve (12) or fewer passengers.

(4) "Classification date" means the effective date of this regulation.

(5) "Coating line" means a series of equipment and/or operations used to apply, dry, or cure any prime, topcoat or repair coatings containing volatile organic compounds. This shall include, but is not limited to:

(a) mixing operations;

(b) process storage;

(c) applicators;

(d) drying operations including, but not limited to, flashoff area evaporation, oven drying, baking, curing, and polymerization;

(e) clean up operations;

(f) leaks, spills and disposal of volatile organic compounds;

(g) processing and handling of recovered volatile organic compounds;

(h) For the purposes of determining compliance with this regulation, if any equipment or operation could be considered to be a part of more than one coating line, its volatile organic compound emissions shall be assigned to each coating line of which it is a part proportionally to the throughput of volatile organic compound it receives from or distributes to each coating line;

(i) If any portion of the series of equipment and/or operations qualify for an exemption according to Section 5, then that portion shall be considered to be a separate coating line.

(6) "Final repair coating line" means a coating line for the repainting of any coatings which are damaged during vehicle assembly.

(7) "Flashoff area" means the space between the application area and the oven.

(8) "Light-duty truck" means any motor vehicle rated at 3,864 kilograms (8,500 pounds) gross vehicle weight or less which are designed primarily for purposes of transportation of property or are derivatives of such vehicles (including but not limited to, pickups, vans, and window vans).

(9) "Prime coat coating line" means a coating line for the first coating and surfacer which *are* [is] responsible for protecting the surface form corrosion and providing for good adhesion of the topcoat.

(10) "Process storage" means mixing tanks, holding tanks, and other tanks, drums, or other containers which contain surface coatings, volatile organic compounds, or recovered volatile organic compounds; but does not mean storage tanks which are subject to 401 KAR 59:050 or 401 KAR 61:050.

(11) "Topcoat coating line" means a coating line for the coating of the surface to obtain desired aesthetic effects.

(12) "Volatile organic compounds" means chemical compounds of carbon (excluding methane, ethane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides, and ammonium carbonate) which have a vapor pressure greater than one tenth (0.1) mm of Hg at conditions of twenty (20) degrees Celsius and 760 mm of Hg.

(13) "Surfacer" means the spray" application of primer to touch-up areas on the surface not adequately covered during electrodeposition.

(14) "Volatile organic compounds net input" means the total amount of volatile organic compounds input to the affected facility minus the amount of volatile organic compounds that are not emitted into the atmosphere. Volatile organic compounds that are prevented from being emitted to the atmosphere by the use of control devices shall not be subtracted from the total for the purposes of determining volatile organic compound net input. When the nature of any operation or design of equipment is such as to permit more than one interpretation of this definition, the interpretation that results in the minimum value for allowable emission shall apply.

(15) "Electrophoretic deposition" means a process of applying a coating by dipping the component in a coating bath with an electrical potential difference between the component and the bath.

Section 3. Standard for Volatile Organic Compounds. No person shall cause, allow, or permit an affected facility to discharge into the atmosphere more than fifteen (15) percent by weight of the volatile organic compounds net input into the affected facility.

Section 4. Compliance.

(1) In all cases the design of any control system is subject to approval by the Department.

(2) Compliance with standard in Section 3 shall be demonstrated by a material balance except in those cases where the Department determines that a material balance is not possible. For those cases where

a material balance is not possible, compliance will be determined based upon an engineering analysis by the Department of: the control system design, control device efficiency, control system capture efficiency, and any other factors that could influence the performance of the system. If so requested by the Department, performance tests as specified by the Department shall be conducted in order to determine the efficiency of control device.

(3) With the prior approval of the Department, the owner or operator may elect to effect such changes in the affected facility as are necessary to qualify for an exemption under Section 5.

(4) Whenever deemed necessary by the Department, the Department shall obtain samples of the coatings used at an affected facility to verify that the coatings meet the requirements in Section 5. The following methods of analyses, filed by reference in 401 KAR 50:015, for coatings shall be used as applicable except in those cases where the Department determines that other methods would be more appropriate:

(a) ASTM D 1644-75 Method A;
(b) ASTM D 1475-60(74);
(c) ASTM D 2369-73; or
(d) Federal Standard 141 a, Method 4082.1.

Section 5. Exemptions. Any affected facility shall be exempt from the provisions of Section 3 if the volatile organic compound content of the coating is:

(1) Prime coating line: *0.14* [0.10)] kilograms per liter of coating (*1.2* [0.8] pounds per gallon), excluding water, *which shall be applied by electrophoretic deposition* [delivered to the first applicators associated with the prime coating line] and 0.34 kilograms per liter of coating (2.8 pounds per gallon), excluding water, delivered to the applicators associated with the surfacer. *An alternative for the surfacer is fifty-five (55) percent solids by volume organic-borne prime coat applied with a minimum of sixty-five (65) percent transfer efficiency.*

(2) Topcoat coating line: 0.34 kilograms per liter of coating (2.8 pounds per gallon), excluding water, delivered to the applicator(s) associated with the topcoat coating line, *or a fifty (50) percent solids by volume organic-borne topcoat applied with a minimum of sixty-five (65) percent transfer efficiency.*

(3) Repair coating line: 0.58 kilograms per liter of coating (4.8 pounds per gallon), excluding water, as delivered to the applicator *applied with a minimum of sixty-five (65) percent transfer efficiency.*

(4) Any owner or operator who elects to qualify for an exemption under this section shall achieve compliance on or before the following dates:

(a) Prime coating systems and final repair coating systems; January 1, 1983.
(b) Topcoat systems; January 1, 1986.

(5) Any affected facility using this section of this regulation may elect to use an arithmetic average of the coatings used in the particular coating line involved. If such average meets the exemption then all coatings will be considered to meet the exemptions.

(6) The exemptions specified in this section may be achieved by:

(a) Use of low solvent coating and/or
(b) Any other emission reduction process or equipment shown to be as effective.

Section 6. Variances. For coating of non-metal components, variation with the standards, limitations and compliance timetables contained in this regulation, when supported by adequate technical information, will be considered by the department on a case-by-case basis to allow for technological or economic circumstances which are unique to a source.

Adopted: *April 24*

Approved as to form and legality:

/s/Robert J. Yarbrough
Office of General Counsel

/s/Eugene F. Mooney
Eugene F. Mooney, Secretary

401 KAR 59:185. New solvent metal cleaning equipment.

DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Bureau of Environmental Protection
Division of Air Pollution
Effective: June 29, 1979

RELATES TO: KRS Chapter 224

PURSUANT TO: KRS 13.082, 224.033

NECESSITY AND FUNCTION: KRS 224.033 requires the Department for Natural Resources and Environmental Protection to prescribe regulations for the prevention, abatement, and control of air pollution. This regulation provides for the control of volatile organic compound emissions for new solvent metal cleaning equipment.

Section 1. Applicability. The provisions of this regulation shall apply to each affected facility commenced on or after the classification date defined below *which is located:*[.]

(1) In an urban county designated non-attainment for ozone under 401 KAR 51:010 or

(2) In any other county and is a part of a major source of volatile organic compounds.

Section 2. Definitions. As used in this regulation, all terms not defined herein shall have the meaning given to them in 401 KAR 50:010.

(1) "Affected facility" means cold cleaners, open top vapor degreasers, and conveyorized degreasers which utilize volatile organic compounds to remove soluable impurities from metal surfaces.

(2) "Volatile organic compounds" means chemical compounds of carbon excluding methane, ethane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides, and ammonium carbonate which have a vapor pressure greater than one tenth (0.1) mm of Hg at conditions of twenty (20) degrees Celsius and 760 mm of Hg.

(3) "Classification date" means the effective date of this regulation.

(4) "Freeboard height" means, for a cold cleaner, the distance from the liquid solvent level in the degreaser tank to the lip of the tank. For a vapor degreaser it is the distance from the solvent vapor level in the tank to the lip of the tank.

(5) "Freeboard ratio" means the freeboard height divided by the width of the degreaser.

(6) "Refrigerated chiller" means a second set of freeboard condenser coils located slightly above the primary condenser coils which create a cold air blanket above the vapor zone.

(7) "Cold cleaner" means a batch-loaded degreaser whose solvent is kept below its boiling point.

(8) "Open top vapor degreaser" means a batch loaded degreaser whose solvent is heated to its boiling point creating a solvent vapor zone.

(9) "Conveyorized degreasers" means a degreaser which is continuously loaded by means of a conveyor system. Its solvent may be boiling or non-boiling.

(10) "Solvent" means, in this regulation, volatile organic compounds.

Section 3. Standards for Volatile Organic Compounds. The owner or operator of an affected facility to which this regulation applies shall install, maintain and operate the control equipment and observe at all times the operating requirements which apply to his type of degreaser as specified in Sections 4, 5, and 6.

Section 4. Cold Cleaners.

(1) Control equipment:

(a) The cleaner shall be equipped with a cover. If the solvent volatility is greater than fifteen (15) mm of Hg measured at 100 degree Fahrenheit or if the solvent is agitated or heated, then the cover shall be designed so that it can be easily operated with one hand.

(b) The cleaner shall be equipped with a drainage facility such that solvent that drains off parts removed from the cleaner will return to the cleaner. If the solvent volatility is greater than thirty-two (32) mm of Hg measured at 100 degree Fahrenheit then the drainage facility shall be internal so that parts are enclosed under the cover while draining. *The drainage facility may be external if the department determines that an internal type cannot fit into the cleaning system.*

(c) A permanent, conspicuous liable, summarizing the operating requirements specified in Section 4 (2) shall be installed on or near the cleaner.

(d) If used, the solvent spray shall be a fluid stream (not a fine, atomized or shower type spray) and at a pressure which does not cause excessive splashing.

(e) If the solvent volatility is greater than thirty-two (32) mm of Hg measured at 100 degree Fahrenheit or if the solvent is heated above 120 degree Fahrenheit, then one of the following control devices shall be used:

1. Freeboard that gives a freeboard ratio greater than or equal to 0.7.
2. Water cover (solvent must be insoluable in and heavier than water).
3. Other systems of equivalent control, such as a refrigerated chiller or carbon adsorption.

(2) Operating requirements:

(a) Do not dispose of waste solvent or transfer it to another party, such that greater than twenty (20) percent by weight of the waste solvent can evaporate into the atmosphere. Store waste solvent only in covered containers.

(b) Close degreaser cover whenever not handling parts in the cleaner.

(c) Drain cleaned parts until dripping ceases (fifteen seconds it usually necessary).

Section 5. Open Top Vapor Degreasers.

(1) Control equipment:

(a) The degreaser shall be equipped with a cover that can be opened and closed easily without disturbing the vapor zone.

(b) The degreaser shall be equipped with the following safety switches:

1. Condenser flow switch and thermostat to shut off sump heat if condenser coolant either is not circulating or is too warm.

2. Spray safety switch to shut off spray pump if the vapor level drops more than four (4) inches *below the bottom condenser coil in order to prevent spraying above the vapor level.*

3. Vapor level control thermostat which shuts off sump heat if the vapor zone rises above the design level.

4. Equivalent safety systems as approved on a case-by-case basis by the department.

(c) The degreaser shall be equipped with at least one of the following major control devices:

1. Freeboard ratio greater than or equal to 0.75, and if the degreaser opening is greater than ten (10) square feet, the cover shall be powered *or mechanically assisted.*

2. Refrigerated chiller.

3. Enclosed design such that the cover or door opens only when the dry part is actually entering or exiting the degreaser.

4. Carbon adsorption system, with ventilation greater than or equal to fifty (50) cfm/square foot of air/vapor interface area (when cover is open), and exhausting less than twenty-five (25) ppm by volume solvent averaged over one complete adsorption cycle.

5. Control system demonstrated to have control efficiency equivalent to or better than any of the above.

(d) A permanent, conspicuous label, summarizing the operating procedures specified in subsection (2) of this section shall be installed on or near the degreaser.

(2) Operating requirements:

(a) Keep the cover closed at all times except when processing work loads through the degreaser.

(b) Minimize solvent carry-out by the following measures:

1. Rack parts so that entrainment of solvent is avoided and full drainage is accomplished.

2. Move parts in and out of the degreaser at *a vertical speed* less than eleven (11) ft./min.

3. Degrease the work load in the vapor zone until condensation ceases (thirty (30) seconds or more is usually necessary).

4. Tip out any pools of solvent on the cleaned parts before removal.

5. Allow parts to dry within the degreaser above the vapor zone until visually dry (fifteen (15) seconds is usually necessary).

(c) Do not degrease porous or absorbent materials such as cloth, leather, wood, or rope.

(d) Work loads should not occupy more than half of the degreaser's open top area.

(e) The vapor level should not drop more than four (4) inches when the work load enters or leaves the vapor zone.

(f) Never spray above the vapor level.

(g) Repair solvent leaks immediately or shut down the degreaser.

(h) Do not dispose of waste solvent or transfer it to another party such that greater than twenty (20) percent by weight of the waste solvent can evaporate into the atmosphere. Store waste solvent only in closed containers.

(i) Exhaust ventilation should not exceed sixty-five (65) cfm per square foot of degreaser area unless necessary to meet OSHA requirements or control device requirements. Ventilation fans should not be used near the degreaser opening.

(j) Water should not be visually detectable in the solvent exiting the water separator.

Section 6. Conveyorized Degreasers.

(1) Control equipment:

(a) A conveyorized degreaser shall be enclosed except for work load entrances and exits.

(b) The degreaser shall be equipped with a drying tunnel or another means such as rotating baskets sufficient to prevent cleaned parts from carrying out solvent liquid or vapor.

(c) Minimized openings: entrances and exits shall silhouette work loads so that the average clearance between *the largest* parts and the edge of the degreaser opening is either less than four (4) inches or less than ten (10) percent of the width of the opening.

(d) Down-time covers: The degreaser shall be equipped with covers for closing off the entrance and exit during shutdown hours.

(e) If the degreaser has an air/solvent interface area or an air/vapor interface area equal to or greater than twenty (20) square ft. it shall be equipped with at least one of the following major control devices:

1. Refrigerated chiller.

2. Carbon adsorption system with ventilation greater than or equal to fifty (50) cfm/square foot of air/vapor interface area (when down-time covers are open) and exhausting less than twenty-five (25) ppm of solvent by volume averaged over a complete adsorption cycle.

3. A system demonstrated to have a control efficiency equivalent to or better than either of the above.

(f) If the degreaser is a vapor type, it shall be equipped with the following safety switches:

1. Condensor flow switch and thermostat which will shut off the sump heat if coolant is either not circulating or is too warm.

2. Spray safety switch which will shut off the spray pump or conveyor if the vapor level drops more than four (4) inches *below the bottom condenser coil in order to prevent spraying above the vapor level.*

3. Vapor level control thermostat which will shut off sump heat if the vapor level rises above the design level.

4. Equivalent safety systems as approved on a case-by-case basis by the department.

(g) A permanent, conspicuous label, summarizing the operating procedures specified in subsection (2) of this section shall be installed on or near the degreaser.

(2) Operating requirements:

(a) Exhaust ventilation should not exceed sixty-five (65) cfm per square foot of degreaser opening unless necessary to meet OSHA requirements or control device requirements. Work place fans should not be used near the degreaser opening.

(b) Minimize solvent carry-out by the following measures:

1. Rack parts so that entrainment of solvent is avoided and full drainage is accomplished.

2. Maintain vertical conveyor speed at less than eleven (11) ft/min.

(c) Do not dispose of waste solvent or transfer it to another party such that greater than twenty (20) percent by weight of the waste solvent can evaporate into the atmosphere. Store waste solvent only in closed containers.

(d) Repair solvent leaks immediately or shutdown the degreaser.

(e) Water should not be visually detectable in the solvent exiting the water separator.

(f) Down-time covers shall be placed over entrances and exits of the degreaser immediately after the conveyor and exhaust are shut down and removed just before they are started up.

Adopted: *March 26, 1979*

Approved as to form and legality:

/s/Robert J. Yarbrough
Office of General Counsel

/s/Eugene F. Mooney
Eugene F. Mooney, Secretary

January 11, 1980

The Honorable William G. Kenton
Speaker of the House
The Capitol
Frankfort, Kentucky 40601

Dear Speaker Kenton:

Pursuant to KRS 367.140, the Kentucky Consumers' Advisory Council is established ". . .to act in an advisory capacity on consumer affairs as the council deems necessary and as directed by the governor, the attorney general or the legislative branch of government". As Attorney General, I am designated by KRS 367.130(2) to serve as an ex-officio member and as Chairman of the Council.

As Chairman of the Consumers' Advisory Council, I forward to you the eleven legislative proposals developed during the past two years and recommended by the Council for the 1980 General Assembly, which have also been sent to Governor John Y. Brown, Jr. Attached are copies of the following proposed bills:

1. An act relating to warranties on new motor vehicles;

2. An act relating to motor vehicle repair;
3. An act relating to district courts;
4. An act relating to small claims collection of judgments;
5. An act relating to materialmen's liens;
6. An act relating to the sale of motor vehicles which have been recalled by the manufacturer;
7. An act relating to motor vehicle usage tax;
8. An act relating to health spas;
9. An act relating to buying clubs;
10. An act relating to dance studios;
11. An act relating to plain language in written consumer contracts.

If you have any questions concerning the provisions of these bills or background information, please contact me or my Division of Consumer Protection.

Sincerely,

STEVEN L. BESHEAR
ATTORNEY GENERAL
CHAIRMAN, CONSUMERS'
ADVISORY COUNCIL

Attachments

October 31, 1979

AN ACT relating to sale and merchantability of motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) "Dealer" shall be construed to mean any person who is a new motor vehicle dealer franchised by a manufacturer and licensed under Chapter 190 of the Kentucky Revised Statutes.

(2) "Manufacturer" shall be construed to mean any person, resident or non-resident, engaged in the business of manufacturing or assembling motor vehicles.

(3) "Motor vehicle" is construed by this Act to mean a new automobile or truck licensed to bear seven thousand, five hundred (7,500) pounds or less which has never been the subject of a first sale for use.

(4) "Price paid by the owner" shall include the original purchase price of the motor vehicle, including the value of any traded motor vehicle involved in the transaction.

(5) A "major correctable defect" means a defect in a motor vehicle which would cost the owner of the motor vehicle more than three percent (3%) of the price paid by the owner of the vehicle to repair if he were paying the cost of the repair, and which when repaired in a normal fashion would not leave any permanent effects on the performance or enjoyment of the motor vehicle.

(6) A "major non-correctable defect" means a defect in a motor vehicle would cost the owner more than three percent (3%) of the price paid by the owner of the vehicle to repair if he were paying the cost of the repair, and which, when repaired in the normal fashion, would substantially impair the performance or enjoyment of the motor vehicle.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of KRS 355.2-316 or any other statute to the contrary, no manufacturer, or dealer on behalf of such manufacturer, shall disclaim, exclude, or impair the warranty of merchantability pursuant to KRS 355.2-314 of a new motor vehicle.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Any motor vehicle that, within the first twelve (12) months, or first twelve thousand (12,000) miles, whichever occurs first, has a major non-correctable defect, requires the repair of a given major correctable defect three (3) times, or is out of service by reason of repair to be made at a franchised dealer for a cumulative total of more than twenty (20) normal business days since delivery of the motor vehicle, shall be presumed to be non-merchantable within the meaning of KRS 355.2-314.

(2) In computing the twenty (20) normal business days pursuant to Section 3(1) of this Act, a day shall mean a calendar day or any portion thereof.

SECTION 4. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

The presumption of non-merchantability of a motor vehicle set out in Section 3 may be rebutted by a showing that the condition of the motor vehicle is due to abusive use or by accident, or some other condition outside of the control of the manufacturer or the dealer.

SECTION 5. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

The owner of the motor vehicle shall, as soon as practicable, give the manufacturer notice, a list of the condition or conditions that render the motor vehicle non-merchantable under Section 3 of this Act and of his decision to exercise his rights under Section 9 of this Act. The notice shall be given by certified mail, with return receipt requested, and a copy to the dealer in the Commonwealth from whom he originally purchased the vehicle.

SECTION 6. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Within twenty (20) days after the receipt of a notice under Section 5, the manufacturer or his representative shall either examine the motor vehicle at a place which is within twenty (20) miles of the owner's home or pay reasonable costs for transporting the motor vehicle to a place designated by the manufacturer for examination and examine the vehicle at that place; and shall notify the owner in writing that the manufacturer either: (1) finds no defect, (2) finds a defect but believes it is due to abuse or accident, (3) finds a defect but can and will put the motor vehicle in a merchantable condition within ten (10) normal business days and will agree to a four (4) month, or four thousand (4,000) miles extension of the owner's rights under this Act, or (4) accepts the owner's determination that it is non-merchantable.

SECTION 7. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

If the manufacturer notifies the owner that the motor vehicle can be put in a merchantable condition pursuant to Section 6 of this Act, the owner must make the vehicle available within ten (10) normal business days after such notification for such repair before any rights vest under this Act; but if the condition that rendered the vehicle non-merchantable continues to exist after repair, there is created an irrebuttable presumption of non-merchantability.

SECTION 8. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

If any examination for or repair of mechanical malfunction of a vehicle by a manufacturer, his representative or a dealer pursuant to this Act or within the first twelve (12) months or twelve thousand (12,000) miles, whichever comes first, results in a motor vehicle being kept by such manufacturer, his representative, or a dealer for more than seven (7) days with the subsequent loss of use by the owner, the manufacturer shall on the eighth day furnish a motor vehicle without cost to the owner for suitable use during this intervening time or compensate the owner for renting such a vehicle.

SECTION 9. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) In the case of a non-merchantable motor vehicle, the manufacturer shall, within ten (10) normal business days from a determination of non-merchantability pursuant to Section 3 of this Act or the determination of a court, at the owners option return the price paid by the seller less any depreciation incurred by abuse or accident, or shall supply a new motor vehicle of the same model or a comparable model if the model year has changed and the manufacturer is not able to substitute a motor vehicle of the same model year, at the owner's residence, which vehicle shall be warranted by the manufacturer as though originally purchased at the time of this delivery.

(2) No usage tax pursuant to KRS 138.460 or state sales tax shall be charged when motor vehicles are transferred pursuant to Section 9(1) of this Act; provided, however, that to avoid such tax the owner shall be required to provide a notarized statement certifying the transaction on a form which shall be prescribed by the commissioner of revenue, and the manufacturer or his agent must file a notarized statement certifying the above fact to the commissioner of revenue.

SECTION 10. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Any case in which an owner of a motor vehicle timely notifies the manufacturer of the non-merchantability of the motor vehicle under Section 3 and the manufacturer wrongfully refuses to replace the motor vehicle under Section 9, the owner may bring an action to recover the price paid by the owner less any depreciation incurred by abuse or accident, plus the cost of a rental vehicle, if any, required during the pendency of the dispute, and shall be entitled to his reasonable attorney fees if he prevails in the action.

SECTION 11. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) No manufacturer shall, in retaliation for the provisions of this Act, exclude in the sale of its motor vehicles in Kentucky any warranty issued elsewhere in the United States.

(2) The cost of any replacement or repair necessitated by the Act shall be borne by the manufacturer and shall not be directly or indirectly passed on to the dealer.

(3) Nothing in this Act shall prevent the manufacturer from increasing the price of its motor vehicles in Kentucky by the amount actuarially necessary to meet the costs incurred by this Act; provided, however, that the manufacturer shall furnish the attorney general's office with verified actuarial data supporting any such increase sixty (60) days before it is put into effect.

SECTION 12. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Any dealer or manufacturer making a repair on a new motor vehicle must state in writing to the purchaser at the time of the delivery of the motor vehicle after repair the nature of any defect repaired by such dealer or manufacturer. The statement shall contain sufficient detail that a determination can be made whether the owner of the motor vehicle may have a right that is accruing pursuant to this Act.

SECTION 13. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Each purchaser of a new motor vehicle shall be furnished by the dealer selling the vehicle with a listing of his rights under this Act and the address of the manufacturer or manufacturer's regional director.

SECTION 14. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Any dealer who fails to provide a statement under Section 12 of this Act or a notice under Section 13 of this Act shall be liable for a civil penalty of five hundred dollars ($500) per violation to be collected in the name of the Commonwealth upon action of the attorney general.

(2) Any dealer or manufacturer who falsifies a statement under Section 12 of this Act shall be liable for a civil penalty not exceeding one thousand dollars ($1,000) to be collected in the name of the Commonwealth upon action of the attorney general.

SECTION 15. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

All of the remedies, powers, and duties provided for the attorney general by KRS 367.190 to 367.300 appertaining to acts declared unlawful by KRS 367.170 shall apply with equal force and effect to acts declared unlawful or duties required by this Act.

SECTION 16. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Nothing in this Act shall be construed to limit or deny any rights or remedies given owners of motor vehicles under the provisions of any other statute.

(2) Nothing in this Act shall be construed to limit or restrict the exercise of powers or the performance of the duties of the attorney general which he is authorized to exercise or perform under any other provision of law.

SECTION 17. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

It shall be unlawful to sell any vehicle that is returned to the manufacturer or repurchased by the manufacturer as non-merchantable pursuant to this Act, unless the purchaser has been informed orally and in writing that the vehicle has been repurchased by the manufacturer and the reasons therefor.

AN ACT relating to consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Vehicle" includes all agencies for the transportation of persons or property licensed to carry one ton or less over or upon the public highways of this Commonwealth and all vehicles passing over or upon said highways for personal, household, agricultural and family purposes.

(2) "Repair" of motor vehicles means all maintenance of and repairs to motor vehicles in excess of fifty dollars ($50) performed by an automobile repair person.

(3) "Customer" means any person, or representative thereof, who is seeking to have performed, is having performed, or has performed any service or repair work on a motor vehicle.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

It shall be an unfair, false, misleading, or deceptive act or practice within the meaning of KRS 367.170 for any automobile repair person to:

(1) Upon request, by the customer, fail to provide to the customer a written estimate of the cost of the anticipated repairs as well as a written statement noting the date which such repairs are expected to be completed.

(2) Fail to obtain, upon request by the customer, an oral or written authorization from the customer for any additional necessary repairs when those repairs amount to twenty-five dollars ($25) or more than the original estimate.

(3) Upon request by the customer, fail to tender to the customer any parts of the vehicle that have been replaced unless:

(a) Such parts must be returned to the manufacturer as part of the warranty agreement; or

(b) Such parts are to be rebuilt or sold by the automotive repair person; or

(c) Such parts are used on an exchange basis; and such intended reuse is made known to the customer prior to performing repair work.

(4) Upon request by the customer, fail to present to the customer after completion of the repair work, an itemized description of parts included whether such parts were new, used reconditioned, or rebuilt as well as any and all labor cost charged for repair work.

(5) Fail to display in a conspicuous place within the area frequented by customers seeking repairs on motor vehicles a sign, not less than 22 inches by 28 inches in size, setting forth in bold face letters.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

In order to investigate compliance with this Act, the Attorney General may issue investigative demands and subpoenas as authorized by KRS 367.240 and KRS 367.250.

SECTION 4. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Any person who violates this Act shall be subject to the penalties and remedies provided in KRS 367.190 through KRS 367.300 and KRS 367.900 (1), (2), (3), (4).

AN ACT relating to district court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 24A.260 is amended to read as follows:

24A.260 Commencement of action.

(1) The plaintiff shall commence an action in the small claims division by filing a claim on a form provided by the clerk.

(2) The plaintiff may bring an action in the small claims division in the judicial district where the party defendant or his agent resides or is doing business[.]*; or, in the judicial district in which a motor vehicle accident occurred.*

Section 2. KRS 24A.320 is amended to read as follows:

24A.320 Waiver of jury trial; removal to regular docket when jury trial request.

(1) All claims in the small claims division shall be tried without a jury. Upon filing a claim, the plaintiff shall be deemed to have waived his right to a jury trial in the division. This waiver shall be explained on the claim form provided by the clerk.

(2) If the defendant in any action desires a jury trial, he shall give notice to the division at least seven (7) days prior to the time set for the hearing[, and the case shall be removed to the regular docket of the district court, and shall thereafter be subject to all the provisions of law and rules of court applicable to proceedings in the district court]. *The defendant shall then notify the plaintiff by registered or certified mail with return receipt requested of the removal of the claim from the small claims division and shall inform the plaintiff of the time set for assigning the case for jury trial.*

(3) The clerk shall set the time for assignment of the case for trial on a regular motion day, not less than twenty (20) days nor more than forty (40) days after service of the notice of removal.

(4) After a case has been removed to the regular docket of the district court, it shall be subject to all the provisions of law and rules of court applicable to proceedings in district court.

11/16/79 Revised (Drafts 10/30/79 and 11/2/79)

AN ACT relating to district courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A new section of KRS Chapter 24A is created to read as follows:

Section 1.

(1) After judgment has been entered in a proceeding in the Small Claims Division of District Court, the Court shall direct that the party against whom a money judgment has been entered complete and return to the court within 15 days of the judgment a verified Discovery of Assets form, listing all available assets. and salary which can be levied upon to collect the judgment.

(2) The party against whom a money judgment has been entered need not complete and return the form if the judgment is paid or the case is settled with notice to the court within the fifteen days.

(3) If an appeal is taken pursuant to KRS 24A.340 the requirement of presenting the form is suspended until all appeals are exhausted.

Section 2.

If any party against whom a money judgment has been entered fails to fully and accurately complete or fails to return to the court the discovery of assets form required by Section 1(1) of this Act, the party to whom the money judgment is owned may furnish to the court on a form provided by the clerk a verified statement of the amount of the judgment which is still due and owing, and the court shall issue a rule to show cause why that person against whom a money judgment has been entered should not be held in contempt of court and, after a hearing, fix such penalty, if any, as the court deems appropriate pursuant to the contempt powers of the district court.

Section 3.

(1) If default judgment has been entered in the Small Claims Division of the District Court, the court shall direct that a Notice of Judgment be sent to the party against whom the judgment is entered, along with the Discovery of Assets form required by Section 1 of this Act, as well as a notice of the requirement to complete the form and return it to the court within 15 days.

(2) Service of the Notice of Judgment form and the Discovery of Assets form in a default judgment shall be accomplished in the same manner as when a suit is initiated pursuant to KRS 24A.260. Costs of such service of these forms shall initially be borne by the party to whom the judgment was awarded, but later taxed as costs in the action and collected as such.

Section 4.

If, after the Discovery of Assets form has been returned to the court, the judgment has not been paid, the party entitled to judgment tax complete a verified statement, praying for an Order of Garnishment or an Order of Attachment, and stating the amount of the judgment which is still due and owing, and on which property or wages execution should be made and thereafter the court shall, where appropriate, issue an Order of Garnishment or an Order of Attachment or Execution for such assets as necessary to satisfy the judgment. The order in which property liable to levy and sale shall be sold or levied upon shall be governed by KRS 426.130 to KRS 426.150.

Section 5.

Any person who makes a material false statement in the completion of the Discovery of Assets form prescribed in Section 1 of this Act shall be guilty of perjury in the second degree as defined by KRS 523.030, if such material false statement was made with the intent to mislead the court or any of the parties to the legal action which gave rise to the requirement for the Discovery of Assets form.

Section 6.

The Administrative Office of the Courts shall prepare and distribute to all District Courts the Discovery of Assets form, Notice of Judgment form, and the notice to file and return the Discovery of Assets form in a default judgment as required by Sections 1, 2, 3, and 4 of this Act.

DRAFT August 14, 1978 (Revised 11/16/79)

AN ACT relating to liens.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

KRS Chapter 376.010 is amended to read as follows:

Mechanic's and materialmen's lien; filing of statements of amount claimed; notice to owner or agent.

* * *

(4) No person who has not contracted directly with the owner[-occupant] or his authorized agent shall acquire a lien under this section on an owner*'s*[-occupied] single or double family dwelling or the appurtenances or additions thereto unless he notifies in writing the owner[-occupant] of the property to be held liable or his authorized agent not more than ten (10) days after the first item of material or labor is furnished, of the delivery of the material or performance of labor and of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner[-occupant] of the property upon which the lien is claimed, or to his duly

authorized agent. This notice is in lieu of the notice provided for in subsection (3). Notwithstanding the foregoing provisions of this subsection, the lien provided for under this section shall not be applicable to the extent that an owner[-occupant] of a single or double family dwelling has, prior to receipt of the notice provided for in this subsection, paid the contractor, subcontractor, architect or authorized agent for work performed or materials furnished prior to such payment. The contractor or subcontractor cannot be the authorized agent under this subsection.

AN ACT relating to the sale of motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A new section of KRS Chapter 367 is created to read as follows:
Section 1.

It shall be unlawful for any motor vehicle dealer to sell any new motor vehicle as defined by KRS Chapter 190 that has been the subject of a recall for defects by the manufacturer unless:

(1) Such defects have been corrected by the dealer or the manufacturer prior to the sale of the vehicle, or

(2) The purchaser has been notified of such defects, both orally and in writing, prior to the sale.

Section 2.

All of the remedies, powers, and duties provided for the attorney general by KRS 367.190 to 367.300 appertaining to acts declared unlawful by KRS 367.170 shall apply with equal force and effect to acts declared unlawful by this Act.

AN ACT relating to the motor vehicle usage tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.450 is amended to read as follows:

As used in KRS 138.460 and 138.470, unless the context requires otherwise:

(1) "Dealer" means any person engaged in the sale of motor vehicles at retail;

(2) "Motor vehicle" means any vehicle that is propelled by other than muscular power and that is used for transportation of persons or property over the public highways of the state, except road rollers, mopeds, vehicles that travel exclusively on rails, and vehicles propelled by electric power obtained from overhead wires;

(3) "Retail price" for new *and used* motor vehicles shall be the *gross purchase* [manufacturer's suggested retail] price of the vehicle *less any trade-in or allowance given by the seller of the motor vehicle to the purchaser of such vehicle.* [with all equipment and accessories, standard and optional, and transportation charges; for used motor vehicles it shall be determined by the retail value given in the automotive reference manual prescribed by the department of revenue. In the case of used motor vehicles previously registered in this state, which are sold in this state,] *A* [a] trade-in allowance equal to the value of the vehicle taken in trade as sworn to by the seller not to exceed the fair market value of the vehicle taken in trade shall be deducted in computing the retail price of the vehicle sold.

AN ACT relating to consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky.

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in this Act unless the context requires otherwise:

(1) "Health Spa" means an establishment which provides for profit as one of its primary purposes services or facilities which are purported to assist patrons to improve their physical condition or appearance through change in weight, weight control, treatment, dieting or exercise. The term includes an establishment designated as "reducing salon," "health spa," "spa," "exercise gym," "health studio," "health club," or by other terms of similar import.

(2) "Contract" means any oral or written agreement by which one becomes a member of a club.

(3) "Social referral club" means any corporation, partnership, unincorporated association or other business enterprise organized for profit with the primary purpose of matching members of the opposite sex, by the use of computer or any other means, to facilitate dating or general contact.

(4) "Club" means any "health spa" or "social referral club" as defined in this Act.

(5) "Member" or "membership" means a status by which any natural person is entitled to any of the benefits of a club.

(6) "Seller" means the person, corporation, partnership, association or group engaged in the operation of a "health spa" or "social referral club" as defined in this Act, who offers for sale the right to use the facilities of the "club" or receives the club's services.

(7) "Prepayment" means any payment for service or merchandise made before the service is rendered or the merchandise is received. It is not a prepayment if a payment for service is made on the same day the service is rendered. Money received by a club from a financial institution upon assignment for a contract shall be considered prepayment when and to the extent the member is required to make prepayments to the financial institution pursuant to the contract.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Any person who has elected to become a member of a club may cancel such membership for any reason by giving written notice any time before midnight of the fifth business day following the date on which membership was attained. Such cancellation shall be without liability on the part of the member and the member shall be entitled to a refund of the entire consideration paid for the contract.

(2) Any person who has elected to become a member of a club may cancel such membership for any reason by giving written notice any time after the fifth business day following the date on which membership was attained. Such cancellation refund shall be on a "pro rata" daily basis computed as follows:

The pro rata portion to which the seller is entitled shall be determined by taking the number of complete weeks [if the extent of the buyer's right to use the facilities is calculated on the basis of a measure other than time such as "sessions," "visits," "lessons" or the like, that term should be substituted for the phrase "complete weeks" in this provision] for which the services or facilities were made available to you following the first five operating days after the date of this contract and prior to cancellation of the contract and *dividing* that number by the total number of weeks specified in this contract ([insert total number of weeks] weeks) and *multiplying* the result of that division by the total contract price ($[insert total contract price]).

(3) Notice of cancellation must be in writing and delivered personally or by mail If given by mail, the notice is effective upon deposit in a mailbox, properly addressed and postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the member not be bound by the contract. If delivered personally, the notice is to be delivered to any employee of the club, and a receipt for the notice must be given by that employee to the person cancelling the contract.

(4) The seller shall refund any payments due to the member within ten (10) days after notice of cancellation is given to the seller, and cancel that portion of the buyer's indebtedness that exceeds the amount due the seller under the applicable refund provisions of this Act.

(5) No contract shall include any confession of judgment or any waiver of the rights to which the member is entitled, including specifically the member's right to cancel the contract.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) A fully completed copy of every contract shall be delivered to the member at the time the contract is signed. Every contract must constitute the entire agreement between the seller and the buyer, must be in writing, must be signed by the member, must designate the date on which the member signed the contract and must state, clearly and conspicuously in bold face type of a minimum size of ten (10) points, the following: "NOTICE TO BUYER: DO NOT SIGN THIS CONTRACT UNTIL YOU HAVE READ THE SECTION UNDER THE HEADING 'CANCELLATION AND REFUNDS.' ALSO, DO NOT SIGN THIS CONTRACT IF IT CONTAINS ANY BLANK SPACES."

(2) Every contract must also include under the caption "CANCELLATION AND REFUNDS," clearly and conspicuously in bold face type a minimum size of ten (10) points, the following cancellation and refund provision:

(a) *Right to Cancel Within Five Business Days.* You are permitted to inspect the facilities of [the seller] within five business days after the date of this contract. If, within those five days, and whether or not you make an inspection, you decide that you want to cancel this contract, you may do so by notifying [the seller] on the attached form which has been provided to you, or by any other writing mailed or delivered before midnight of the fifth business day after the date of this contract to [the seller] at the address shown on the contract. If you so cancel, any payments made by you under the contract will be refunded; and any evidence of indebtedness executed by you will be cancelled by [the seller], and arrangements will be made to relieve you of any further obligation to pay the same. If during the first five business days after the date of this contract [the seller] allows you to use its facilities or performs any services, it must do so without charge.

For the purposes of this provision, the following days are "business days" [insert days]. On these days, the spa will be open [insert a statement of the hours during which the spa will be open].

(b) *Additional Right to Cancel After Five Business Days.* You may also cancel this contract for any reason at any time, following the expiration of the five-day period described in [(1)], by notifying [the seller] on the attached form provided to you, or by any other writing, mailed or delivered to [the seller] at the address shown on the contract. If you cancel this contract after five business days, [the seller] is entitled to keep or to receive a cancellation fee of [insert specific sum not in excess of five percent of the total contract price] plus a pro rata portion of the total contract price determined in the manner specified in [(3)] below. All money you have paid in excess of that amount will be refunded, and any financial obligation you may have undertaken or assumed as a part of the transaction will be terminated by [the seller] to the extent that it provides for payment of a sum in excess of the amount [the seller] is entitled to keep or to receive pursuant to this provision, *provided*, that if at the time of cancellation, the facilities and services offered by [the seller] are not fully operational and available, [the seller] may not retain or receive a cancellation fee.

(c) *Pro Rata Computation.*

The pro rata portion to which the seller is entitled shall be determined by taking the number of complete weeks [if the extent of the buyer's right to use the facilities is calculated on the basis of a measurer other than time such as "sessions," "visits," "lessons," or the like, that term should be substituted for the phrase "complete weeks" in the provision] for which the services or facilities were made available to you following the first five business days after the date of this contract and prior to cancellation of the contract and *dividing* that number by the total number of weeks specified in this contract ([insert total number of weeks] weeks) and *multiplying* the result of that division by the total contract price ($[insert total contract price]).

(3) Every seller shall furnish to the member at the time he signs the contract, a completed form in duplicate, which is attached to the contract but easily detachable therefrom and which is captioned in fifteen point bold face uppercase type "NOTICE OF CANCELLATIONS." This detachable form shall contain in ten point bold face uppercase type the following information and statements:

(a) For an example of your rights to cancel the attached contract and the amount of any refund due, or payment owing, see that section of the contract headed "CANCELLATION AND REFUNDS."

(b) To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice to [name of seller], at [insert seller's address].

(Date) (Buyer's Signature)

(4) Every contract which does not contain the notices specified in subsections (1), (2) and (3) may be cancelled by the member at any time by giving notice of cancellation by any means.

(5) Prior to the time the contract is signed by the member, the seller must furnish the member a current copy of any rules and regulations which apply to the member's use of the club and which are not set forth in the contract.

SECTION 4. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) No contract shall be valid for a term longer than eighteen (18) months from the date upon which the contract is signed.

(2) The duration of the contract shall be clearly and conspicuously disclosed in the contract in bold face type of a minimum size of ten (10) points.

SECTION 5. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Every health spa, or social referral club, shall maintain a bond issued by a surety company admitted to do business in this state, the principal sum of which shall be $50,000.

(2) The bond required by this section shall be in favor of the Attorney General of the Commonwealth of Kentucky and be held for the benefit of any member who suffers loss of prepayment made pursuant to a contract entered into after June 30, 1980, due to insolvency of the club or the cessation of business by the club, or failure by the club to perform under any contract. A copy of the bond shall be filed with the Attorney General prior to the making of any membership contract by a club. Any person claiming against the bond may maintain an action at law against the club and the surety. Failure to so maintain a bond as required by this section shall make the principals of any club personally liable for the claims of each of its members.

(3) The provisions of this section shall not apply to transactions in which the buyer purchases the right to use the facilities or obtain the services of a seller on a per visit basis, on a daily basis, or on a weekly basis; provided, however, this exemption shall not apply if the buyer is obligated to purchase or to pay for the right to use the facilities or to obtain the services of the seller for a period in excess of one week, or if the seller is obligated to provide the use of facilities or services to the buyer for a period in excess of one week.

SECTION 6. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) A health spa whose only offered source of membership is pursuant to a contract for membership of $100 or less is exempt from the provisions of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) All of the remedies, powers and duties provided for the Attorney General by KRS 367.190 to 367.300 appertaining to acts declared unlawful by KRS 367.170 shall apply with equal force and effect to acts declared unlawful by this Act.

(2) In addition to the remedies otherwise provided for by law, a person who enters into a contract for membership at a club and thereby suffers any ascertainable loss of money or property, real or personal, as a result of the use or employment by another person of a method, act or practice declared unlawful by this Act, may bring an action under the Rules of Civil Procedure in the circuit court in which the seller or lessor resides or has his principal place of business or is doing business, or in the circuit court in which the purchaser or lessee of goods or services resides, or where the transaction in question occurred, to recover actual damages. The court may, in its discretion, award actual damages and may provide such equitable relief as it deems necessary or proper. Nothing in this subsection shall be construed to limit a person's right to seek punitive damages where appropriate.

SECTION 8. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Any person who, on behalf of a club, offers a contract for membership without having previously fulfilled the bonding requirement of Section 5 of this Act, shall be guilty of a Class D felony.

REWRITE

AN ACT relating to consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

AS FOLLOWS:

As used in this Act unless the context requires otherwise:

(1) "Club" means buying club.

(2) "Contract" means any oral or written agreement by which one becomes a member of a club.

(3) "Buying club" means any person or persons, corporation, unincorporated association, or other organization which for a consideration provides or purports to provide its members or the members of any other buying club with the ability to purchase goods or services at discount prices; except that such organization shall not include any buying club in which persons receive discount buying services incidentally as part of a package of services provided to, or available to, such individuals on account of membership in such organization which is not organized for the profit of any person or corporation and which does not have as one of its primary purposes or businesses the provision of discount buying services.

(4) "Member" or "membership" means a status by which any natural person is entitled to any of the benefits of a club.

(5) "Prepayment" means any payment for service or merchandise made before the service is rendered or the merchandise is received. It is not a prepayment if a payment for service is made on the same day the service is rendered. Money received by a club from a financial institution upon assignment of a contract shall be considered prepayment when and to the extent the member is required to make prepayments to the financial institution pursuant to the contract.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Any person who has elected to become a member of a club may cancel such membership by: (a) giving written notice any time before midnight of the fifth business day following the date on which membership was attained. Such cancellations shall be without liability on the part of the member and shall entitle the member to a refund of the entire consideration paid for the contract: or (b) giving written notice any time after the fifth business day following the date on which membership was attained. Such cancellation shall be on a pro rata daily basis, the member being responsible only for that portion of the contract consideration representing the time elapsed on the contract and being entitled to a refund of that portion of the fee representing the days remaining on the contract at date of cancellation. If the contract duration is for the life of the member, the daily value shall be determined by standard actuarial tables.

(2) Notice of cancellation must be in writing and delivered personally or by mail. If given by mail, the notice is effective upon deposit in a mailbox, properly addressed and postage paid. Notice of cancellation

need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the member not to be bound by the contract. If delivered personally, the notice is to be accepted by any agent or employee of the club, and a receipt for the notice must be given by that agent or employee to the person cancelling.

(3) The entitled refund shall be delivered to the member within ten (10) days after notice of cancellation is given.

(4) Rights of cancellation may not be waived or otherwise surrendered.

(5) Cancellation shall not relieve the member from paying for any merchandise purchased or ordered prior to the date of cancellation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) A copy of every contract shall be delivered to the member at the time the contract is signed. Every contract must be in writing, must be signed by the member, must designate the date on which the member signed the contract and must state, clearly and conspicuously in bold-face type of a minimum size of fourteen points, the following:

"MEMBERS' RIGHT TO CANCEL"

"If you wish to cancel this contract, you may cancel by delivering or mailing a written notice to the company. Certified mail would provide greater protection than first-class mail, but is not necessary. If you deliver the notice personally, you are entitled to a receipt." "Your notice must make known that you do not wish to be bound by the contract. If the notice is delivered or mailed before midnight of the fifth business day after you sign this contract, you are entitled to a refund of the entire consideration paid for the contract. Other cancellation entitles you to a pro rata refund for those days remaining on the contract." "The notice must be delivered or mailed to (insert name and mailing address of company). If you cancel, the club is required to return, within ten (10) days of the date on which you give notice of cancellation, any payments you have made."

(2) Until the buying club has complied with this section, the member may cancel the contract by notifying the buying club in any manner and by any means of his intention to cancel.

SECTION 4. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Every buying club shall maintain a bond of $50,000 issued by a surety company admitted to do business in this state.

(2) The bond required by this section shall be in favor of the attorney general of the Commonwealth of Kentucky for the benefit of any member who suffers loss of prepayment made pursuant to a contract entered into after June 30, 1980, due to insolvency of the club or the cessation of business by the club, or failure by the club to perform under any contract. A copy of the bond shall be filed with the attorney general prior to the making of any membership contract by a club. Any person claiming against the bond may maintain an action at law against the club and the surety. Failure to so maintain a bond as required by this section shall make the principals of any club personally liable for the claims of members.

(3) The aggregate liability of the surety to all persons for all breaches of the conditions of the bonds provided herein shall in no event exceed the amount of the bond.

SECTION 5. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) All of the remedies, powers, and duties provided for the attorney general by KRS 367.190 to 367.600 appertaining to acts declared unlawful by KRS 367.170 shall apply with equal force and effect to acts declared unlawful by this act.

(2) Nothing in this Act shall be construed to limit or restrict the exercise of powers or the performance of the duties of the attorney general which he is authorized to exercise or perform under any other provision of law.

SECTION 6. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Any person who, on behalf of a club, negotiates a contract of membership without having previously fulfilled the bonding requirement of Section 5 of this Act, shall be guilty of a class D felony.

REWRITE May 14, 1979

AN ACT relating to consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in this Act unless the context requires otherwise:

(1) "Contract" means any oral or written agreement by which one becomes a member of a club or dance studio, or purchases goods or services from the club or dance studio.

(2) "Dance studio" or "club" means any corporation, partnership, unincorporated association or other business enterprise organized for profit, directly or indirectly engaging in instruction, training, encouragement or assistance in dancing of primarily adult students or customers.

(3) "Member" or "membership" means a status by which any natural person is entitled to any of the benefits of a dance studio or club.

(4) "Prepayment" means any payment for service or merchandise made before the service is rendered or the merchandise is received. It is not a prepayment if a payment for service is made on the same day the service is rendered. Money received by a dance studio or club from a financial institution upon assignment of a contract shall be considered prepayment when and to the extent the member is required to make prepayments to the financial institution pursuant to the contract.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Any person who has elected to become a member of a dance studio or club may cancel such membership by: (a) giving written notice any time before midnight the fifth business day following the date on which membership was attained. Such cancellation shall be without liability on the part of the member and the member shall be entitled to a refund of the entire consideration paid for the contract; or (b) giving written notice any time after the fifth business day following the date on which membership was attained. Such cancellation refund shall be on a pro rata basis, the member being responsible for that portion of the contract consideration representing lessons either scheduled or completed prior to date of cancellation and being entitled to a refund of that portion of the contract consideration representing those lessons uncompleted or scheduled after the date of cancellation.

(2) Notice of cancellation must be in writing and delivered personally or by mail. If given by mail, the notice is effective upon deposit in a mailbox, properly addressed and postage paid. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the member not to be bound by the contract. If delivered personally, the notice can be delivered to any agent or employee of the dance studio or club, and a receipt for the notice must be given by that agent or employee to the person canceling.

(3) The entitled refund shall be delivered to the member within ten (10) days after notice of cancellation is given.

(4) Rights of cancellation may not be waived or otherwise rendered.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) A copy of every contract shall be delivered to the member at the time the contract is signed. Every contract must be in writing, must be signed by the member, must designate the date on which the member signed the contract and must state, clearly and conspicuously in bold-face type of a minimum size of fourteen points, the following:

"MEMBERS' RIGHT TO CANCEL"

"If you wish to cancel this contract, you may cancel by delivering or mailing a written notice to the company. Certified mail would provide greater protection than first-class mail, but is not necessary. If you deliver the notice personally, you are entitled to a receipt.

"Your notice to the studio or club must make known that you do not wish to be bound by the contract. If the notice is delivered or mailed before midnight of the fifth business day after you sign this contract, you are entitled to a refund of the entire consideration paid for the contract. Other cancellation entitles you to a pro rata refund for the unused portion.

"The written notice must be delivered or mailed to (insert name and mailing address of company). If you cancel, the dance studio or club is required to return, within ten days of the date on which you give notice of cancellation, any payments you have made."

(2)Until the dance studio or club has complied with this section, the member may cancel the contract by notifying the dance studio or club in any manner and by any means of his intention to cancel.

SECTION 4. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

No contract shall be valid for a term longer than eighteen (18) months from the date upon which the contract is signed. The duration of the contract shall be clearly and conspicuously disclosed in the contract in bold-face type of a minimum size of fourteen points.

SECTION 5. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Every dance studio or club shall maintain a bond of $5,000 issued by a surety company admitted to do business in this state, or a bond, the principal sum of which shall be at all times at least as great as the total amount of prepayment received for all contracts entered into after June 30, 1980, whichever is greater.

(2) In no event shall any bond required by this section be less than $5,000.

(3) The bond required by this section shall be in favor of the attorney general of the Commonwealth of Kentucky for the benefit of any member who suffers loss of prepayment made pursuant to a contract entered into after June 30, 1980, due to insolvency of the dance studio or club or the cessation of business by the dance studio or club, or failure by the dance studio or club to perform under any contract. A copy of the bond shall be filed with the attorney general prior to the issuance of any membership contract by a dance studio or club. Any person claiming against the bond may maintain an action at law against the dance studio or club and the surety. Failure to so maintain a bond as required by this section shall make the principals of any dance studio or club personally liable for the claims of members.

(4) The aggregate liability of the surety to all persons for all breaches of the conditions of the bonds provided herein shall in no event exceed the amount of the bond.

SECTION 6. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) All of the remedies, powers, and duties provided for the attorney general by KRS 367.190 to 367.300 appertaining to acts declared unlawful by KRS 367.170 shall apply with equal force and effect to acts declared unlawful by this Act.

(2) Nothing in this Act shall be construed to limit or restrict the exercise of powers or the performance of the duties of the attorney general which he is authorized to exercise or perform under any other provision of law.

SECTION 7. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Any person who, on behalf of a dance studio or club, negotiates a contract of membership without having previously fulfilled the bonding requirement of Section 5 of this Act, shall be guilty of a class D felony.

AN ACT relating to plain language in written consumer contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context requires otherwise, the following definitions shall apply:

(1) A "person" means natural persons, corporations, trusts, partnerships, incorporated or unincorporated associations, and any other legal entity.

(2) A "consumer contract" is a written agreement in which:

(a) a person enters into the agreement primarily for personal, family or household purposes, *and*

(b) the agreement is one in which the person:

(1) borrows up to fifty thousand dollars or receives up to fifty thousand dollars in credit from a person who lends money or extends credit in the ordinary course of business, *or*

(2) agrees to pay up to fifty thousand dollars to buy or lease personal property or services from a person who is acting in the ordinary course of business, *or*

(3) leases any residential dwelling; OR

(4) purchases insurance and pays premiums which total annually up to fifty thousand dollars.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

All consumer contracts made, entered into or signed after January 1, 1981, shall be written in plain language. A consumer contract is written in plain language if it meets either the plain language test of subsection (a) below or the alternate objective test of subsection (b). A consumer contract need not meet the tests of both subsections.

(a) A consumer contract is written in plain language if it substantially complies with all of the following tests:

(1) It uses short sentences and paragraphs; and

(2) It uses every day words; and

(3) It uses personal pronouns, the actual or shortened names of the parties to the contract, or both, when referring to those parties; and

(4) It uses simple and active verb forms; and

(5) It uses type of readable size; and

(6) It uses ink which contrasts with the paper; and

(7) It heads sections and other subdivisions with captions which are in boldface type or which otherwise stand out significantly from the text; and

(8) It uses layout and spacing which separate the paragraphs and sections of the contract from each other and from the borders of the paper; and

(9) It is written and organized in a clear and coherent manner.

(b) A consumer contract is also written in plain language if it fully meets all of the following tests, using the procedures described in Section 9 of this Act, and as follows:

(1) The average number of words per sentence is less than twenty-two; and

(2) No sentence in the contract exceeds fifty words; and

(3) The average number of words per paragraph is less than seventy-five; and

(4) No paragraph in the contract exceeds one hundred fifty words; and

(5) The average number of syllables per word is less than 1.55; and

(6) It uses personal pronouns, the actual or shortened names of the parties to the contract, or both, when referring to those parties; and

(7) It uses no typeface of less than eight points in size; and

(8) It allows at least three sixteenths of an inch of blank space between each paragraph and section; and

(9) It allows at least one-half of an inch of blank space at all borders of each page; and captioned in boldface type at least ten points in size. If the contract is typewritten, each section is captioned and the captions are underlined; and

(10) It uses an average length of line of no more than sixty-five characters.

(c) The following consumer contracts are exempt from the provisions of this Act:

(1) Mortgages;

(2) Deeds of real estate;

(3) Documents relating to securities transactions.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Each person who signs a consumer contract made, entered into or signed after January 1, 1981, shall be given a copy of the consumer contract by the sellor, creditor or lessor at the time the consumer contract is made, entered into or signed.

SECTION 4. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Any creditor, sellor or lessor who fails to comply with Section 2 or 3 of this Act shall be liable to a person who is party to a consumer contract for statutory damages of one hundred dollars plus court costs and attorney's fees not to exceed one hundred and fifty dollars.

(2) All of the remedies, powers and duties provided for the attorney general by KRS 367.190 to 367.300 appertaining to acts declared unlawful by KRS 367.170 shall apply with equal force and effect to acts declared unlawful by this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(a) If there is more than one person who is a party to a single consumer contract, only one award of statutory damages may be made for that consumer contract;

(b) No class action may be brought under this Act;

(c) No person may bring an action under this Act on a consumer contract that he himself prepared;

(d) No person may bring an action under this Act on a consumer contract if the person was represented by an attorney and this fact is shown by the attorney's signed and dated statement on the consumer contract;

(e) No person may bring an action after the consumer contract has been fully and completely performed in accordance with the terms of the consumer contract;

(f) No person may bring an action more than five (5) years after the date on which the consumer contract was signed.

SECTION 6. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(a) The use of specific language expressly required or authorized by a federal or state court decision, statute, regulation or governmental agency shall not be a violation of this Act;

(b) The use of a legal description of real property shall not be a violation of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(a) A consumer contract shall remain enforceable, even though it violates this Act;

(b) Any waiver of the person of the rights provided in this Act is null and void, and will not operate to relieve the sellor, creditor or lessor of any obligation placed upon him by this Act;

(c) Nothing in this Act shall be construed to limit a person from making any claim or raising any defense which would have been available to him if this Act were not in effect;

(d) The rights and remedies given persons under the provisions of this Act shall be in addition to rights presently existing under the law.

SECTION 8. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Nothing in this Act shall be construed to limit or restrict the exercise of powers or the performance of the duties of the Attorney General which he is authorized to exercise or perform under any other provision of law.

SECTION 9. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Use the following procedures to determine compliance with subsection (b) of section 2 of this Act;

(a) To count the number of words in the contract, proceed as follows:

(1) Count every word used in the text of the contract;

(2) Do not count words or numerals used in headings, captions, signature lines, graphs or charts;

(3) Do not count single words or phrases used to identify the information required in a fill-in section of a contract, such as "Name" or "Address;"

(4) Count as one word a contraction, hyphenated word, numeral, symbol, or abbreviation;

(5) Do not count words which are exempt under section 6.

(b) A sequence of words is a "sentence," if:

(1) It expresses a complete thought; and

(2) It contains a subject and a verb, including the implied subject "you;" and

(3) It ends with a period. If it is an item in a list, it may end with a semi-colon. If it is an introduction to a list, it may end with a colon.

(c) A "syllable" is a unit of spoken language consisting or one or more letters of a word, as the word is divided by any dictionary. To count the number of syllables, proceed as follows:

(1) If there is more than one acceptable pronunciation for a word, use the one having fewer syllables;

(2) Count abbreviations, numerals, and symbols as one-syllable words;

(d) A sequence of words is a "paragraph," if:

(1) It consists of one or more sentences; and

(2) It starts in a new line; and

(3) It is separated by at least three sixteenths of an inch of blank space from the text immediately preceding and following it.

(e) A sequence of words is a "list," if:

(1) Each item in the sequence is introduced by a numeral or letter; and

(2) Each item in the sequence starts on a new line.

(f) (1) a printed text line does not exceed sixty-five characters if the distance between the inside left and inside right margins does not exceed the width of two and one-half alphabets of the type face being used:

(2) A text line typed at ten characters per inch does not exceed sixty-five characters if the length of the line does not exceed six and one-half inches;

(3) A text line typed at twelve characters per inch does not exceed sixty-five characters if the length of the line does not exceed five and one-half inches.

(g) Count the total number of words and sentences in the contract, as described in this section. Then divide the number of words by the number of sentences. The result is the average number of words per sentence.

(h) Count the total number of words and paragraphs in the contract, as described in this section. Then divide the number of words by the number of paragraphs. The result is the average number of words per paragraph.

(i) Count the total number of syllables and words in the contract, as described in this section. Then divide the number of syllables by the number of words. The result is the average number of syllables per word.

(j) To count sentences and paragraphs if a list format is used, proceed as follows:

(1) Examine the introduction to the list and each item in the list to see if it is a sentence or a paragraph.

(2) Do not count as part of any sentence the words "and," "or," "if," "if and only if," or "then," if they are used to link the items of the list to each other or to the introduction;

(3) If each item in the list is a sentence, count each as a sentence. If any item is not a sentence, count the entire list as part of the sentence and paragraph containing the introduction. Do not count an item in a list as either a sentence or a paragraph if the subject or verb appears in the introduction;

(4) If each item in the list is a sentence but the introduction is not, count the introduction as part of the sentence containing the first item in the list;

(5) If each item in the list is a sentence and, in addition, each item is separated by at least three-sixteenths of an inch of blank space from the sentences immediately preceding and following it, count each item as a paragraph.

The Committee on Counties and Special Districts reported **HB 135** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 135, AN ACT relating to counties.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 68.240 is amended to read as follows:

(1) The county judge/executive shall annually prepare a proposed budget for the expenditure of all funds, including those from state and federal sources, which are to be expended by the fiscal court in the next fiscal year. The proposed budget shall be classified into budget units as outlined in subsection (2) of this section. In addition to preparing a reasonable estimate of the funds actually needed for both general and special purposes, the county judge/executive shall prepare an estimated statement of receipts to be anticipated from local, state and federal sources. The county judge/executive shall submit the proposed budget and estimate of receipts to the *fiscal court* [county budget commission] by May 24 of each year.

(2) The *fiscal court* [county budget commission], at a meeting or meetings held not later than June 1 of each year, shall make a detailed investigation of each separate activity of the county for which the county judge/executive proposes that county funds are to be expended by the fiscal court. All expenditures shall be classified into budget units, including:

(a) General expenses of county government.
(b) Protection to persons and property.
(c) General health and sanitation.
(d) Highways and bridges.
(e) Charities, hospitals, infirmaries and corrections.
(f) Recreational.
(g) New property and improvements.
(h) Interest and debt payments.
(i) Miscellaneous and contingent.

(3) The county budget shall have a fund known as the "sinking fund principal account" and a fund known as the "sinking fund interest account." There shall be allocated annually to the sinking fund principal account a sum equal to the proportional yearly amount necessary to retire each bond issue of the county at maturity, and to the sinking fund interest account a sum equal to the interest on bonded indebtedness payable during the current budget year.

(4) The county budget shall include such budget units as may be required by the activities of the county. When necessary, the county budget may be subdivided into separate budget funds so that the cost of each class of expenditures can be ascertained at any time and regulated according to the financial condition and needs of the county.

(5) The funds set apart in the county budget for a budget unit, or any subdivision thereof, shall constitute a separate budget fund and shall be appropriated and accounted for separately.

(6) [Immediately upon approving a proposed budget for the county, the county budget commission shall forward a copy of the proposed budget to the fiscal court.] The fiscal court shall comment upon the proposed budget, and *may* [the county budget commission shall] amend *it* [the proposed budget] according to *its* [the] desires [of the fiscal court] prior to the date when it is sent to the state local finance officer according to the procedures of KRS 68.250.

Section 2. KRS 68.243 is amended to read as follows:

In any county which levied a poll tax in 1973, the county *judge/executive* [budget commission] may include the revenue received from the poll tax in that year in the county budget and the state local finance officer shall include such revenue when computing the maximum permissible revenue in accordance with the provisions of KRS 68.245(2)(a), (b) and (c).

Section 3. KRS 68.245 is amended to read as follows:

(1) Notwithstanding any statutory provisions to the contrary, no county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced from application of the preceding year's tax rate to the

preceding year's assessment. The property valuation administrator shall submit an official estimate of net assessment growth, as determined in accordance with KRS 132.010, to the county judge/executive by April 1 of each year.

(2) No county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits imposed in subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, until the taxing district has complied with the provisions of subsection (5) of this section. The property valuation administrator shall submit an official estimate of new property and personal property, as determined in accordance with KRS 132.010, to the county judge/executive by April 1 of each year.

(3) The state local finance officer shall certify to each county *judge/executive* [budget commission], by June 30 of each year, the following:

(a) The tax rate that a fiscal court could levy under the provisions of subsection (1) of this section, and the amount of revenue expected to be produced by it;

(b) The compensating tax rate, as defined in KRS 132.010, and the amount of revenue expected to be produced by it;

(c) The tax rate which will produce no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, and the amount of revenue expected to be produced by it.

(4) The net assessment growth, new property and personal property determined in accordance with KRS 132.010 and 132.015 shall be certified to the state local finance officer by the department of revenue by June 15 of each year.

(5) (a) A county fiscal court, proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) County fiscal courts of counties containing a city of the first class proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold three (3) public hearings to hear comments from the public regarding the proposed tax rate. The hearings shall be held in three (3) separate locations; each location shall be determined by dividing the county into three (3) approximately equal geographic areas, and identifying a suitable facility as near as possible to the geographic center of each area.

(c) The county fiscal court shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;
2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;
3. The compensating tax rate and the revenue expected from it;
4. The revenue expected from new property and personal property;
5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
6. A time and place for the public hearings which shall be held not less than seven (7) days nor more than ten (10) days, after the day that the second advertisement is published;
7. The purpose of the hearing; and
8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained therein.

(d) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(e) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The county fiscal court may set reasonable time limits for such testimony.

(6) (a) That portion of a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, levied by an action of a county fiscal court which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%)

over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property shall be subject to a recall vote or reconsideration by the taxing district, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The county fiscal court shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the county fiscal court has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property is subject to recall; and

3. The name, address and telephone number of the county clerk, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 4. KRS 68.250 is amended to read as follows:

(1) The state local finance officer shall have full power and authority to supervise and direct the form and classifications of all county budgets. He shall approve all budget forms and classifications and may change any form or classification submitted to him before making such approval. The county *judge/executive* [budget commission] shall use the form furnished or approved by the state local finance officer and shall not make any changes therein or use any other form, unless authorized by the state local finance officer.

(2) Not less than twenty (20) days before the time for adoption of the county budget the county judge/executive[, as chairman of the county budget commission,] shall transmit two (2) copies of the proposed budget including statements of both anticipated receipts and expenditures by budget funds, to the state local finance officer for approval as to form and classification.

(3) If the state local finance officer finds that the proposed budget is uniform with the budgets of other counties of the same class in classification of units and conforms to the budget laws he shall approve the classification, return the original copy to the county judge/executive and retain the duplicate copy as part of his records. If the proposed budget is not uniform with the budgets of other counties in classification of units he shall make such changes as he deems necessary for the purpose of establishing uniformity.

(4) If the proposed budget fails to comply with any requirements of law, the state local finance officer shall so notify the county judge/executive, and may refuse to approve the budget until the county *judge/executive* [budget commission] authorizes him to make such changes as he deems to be required by law.

Section 5. KRS 68.260 is amended to read as follows:

(1) The proposed county budget [adopted by the county budget commission], tentatively approved by the fiscal court and approved by the state local finance officer as to form and classification shall be submitted to the fiscal court for adoption not later than July 1 of each year or within ten (10) days after receipt of the certified assessment from the department of revenue, as provided in KRS 133.180, whichever shall be later. The county *judge/executive* [budget commission] shall cause a copy of the proposed budget to be posted in a conspicuous place in the courthouse near the front door, and be published pursuant to KRS chapter 424, at least ten (10) days before final adoption by the fiscal court.

(2) Any taxpayer or group of taxpayers may petition the fiscal court in respect to the budget or any part thereof before final adoption.

(3) If the fiscal court rejects any part of the proposed budget, it shall make the changes in the nature and amount of funds a majority of the court considers desirable; but it has no power to make any change in the form or classification of the budget units or subdivisions of units.

Section 6. KRS 68.310 is amended to read as follows:

Except in case of an emergency concerning which the *county judge/executive, the* fiscal court[, the county budget commission] and the state local finance officer unanimously agree in writing, no county may, during the first half of any fourth fiscal year, beginning with the fiscal year 1941-1942, encumber or expend more than sixty-five per cent (65%) of all its current funds, taken as a unit, budgeted for that fiscal year, not counting as current funds any budgetary allotments for or payments of principal and interest of bonded indebtedness.

Section 7. KRS 68.350 is amended to read as follows:

The state local finance officer shall prescribe the books, blanks and forms to be used by county officials in the administration of the fiscal affairs of the county under the budget laws. He shall examine the budget records and make such investigations as may be necessary to determine the condition of the financial affairs of each county. If the state local finance officer finds that any county officer [or member of a county budget commission] is wilfully violating or neglecting the duties imposed by KRS 68.210 through 68.360, he may institute legal proceedings in the circuit court of that county to compel compliance with the law.

Section 8. KRS 68.990 is amended to read as follows:

(1) Any outgoing county treasurer who fails for ten (10) days to comply with any of the provisions of KRS 68.050 shall be fined not less than fifty (50) nor more than five hundred dollars ($500).

(2) The fiscal court and each member thereof that fails or refuses to comply with any of the provisions of KRS 68.080 shall be fined fifty dollars ($50) for each offense.

(3) Any county officer or member of a fiscal court who violates any of the provisions of KRS 68.110(3) shall be fined not less than one hundred (100) nor more than five hundred dollars ($500), or imprisoned in the county jail for not less than one (1) month nor more than twelve (12) months, or both.

(4) The fiscal court and each member thereof that fails or refuses to implement a system of uniform accounts as prescribed by the executive department for finance and administration pursuant to KRS 68.210 shall be fined one hundred dollars ($100) for each offense.

(5) Any local government official who fails to submit an annual financial report requested by the executive department for finance and administration pursuant to KRS 68.210 shall be fined one hundred dollars ($100) for each offense.

(6) Any county or state officer who knowingly violates any of the provisions of KRS 68.250(4), 68.270, 68.280, 68.310, or 68.320 shall, in addition to the specific liabilities imposed for violating any of the provisions of those sections, be guilty of a misdemeanor and, upon conviction thereof, shall have his office declared vacant, and may also be fined not more than five hundred dollars ($500) or imprisoned for not more than ninety (90) days, or both.

(7) Any county officer [or member of a county budget commission] who wilfully violates any of the provisions of KRS 68.010, 68.020(3), 68.220 to 68.260, 68.290, 68.300 or 68.360 shall be fined not less than fifty (50) nor more than two hundred dollars ($200).

(8) Any person, including a corporation, who wilfully fails to prepare or file a timely return, account, or license application described in KRS 68.185, or who wilfully prepares or files a false or inaccurate return, account, or license application shall be fined not more than one hundred dollars ($100).

Section 9. KRS 66.370 is amended to read as follows:

(1) On or before the fifteenth day of July of each year, the county judge/executive of each county in this Commonwealth shall, for the fiscal year immediately preceding, deliver to the state local finance officer a report showing for the county the total amounts of each and every issue of outstanding bonds and the amount of unfunded debt, if any, together with the interest rate or rates of all indebtedness, sinking fund balances, sinking fund investments or deposits and earnings, payments of debt principal and interest, and such other information respecting indebtedness, whether or not herein enumerated, as the commission may by regulation require.

(2) A county may, by order of its fiscal court, surrender to the state local finance officer all money in hand, notes, bonds, accounts or other credits representing assets available, and such other sums which may hereafter become available from any and all sources, for paying the principal and interest of any bonded debt of the county; Provided, however, that if a county surrenders the sinking fund for any bond issue payable either from the tax levy authorized by section 157 or by section 157a of the constitution of Kentucky or from any special tax levy authorized by law, it must surrender also the sinking funds for all other bonds payable from the same tax levy as herein defined. Such surrender shall be irrevocable on the part of the county. Provided further, that any county which has a bond issue approved under the provisions of KRS 66.310 is required to comply with the provisions of this subsection with respect to the sinking funds for the bonds thus approved and for any other bonds payable from the same tax levy as herein defined. The county judge/executive of any county complying with the provisions of this subsection is hereby relieved of the requirement to submit the annual reports hereinabove specified in this section insofar as these apply to bonded debts, the sinking funds for which have been surrendered to the state local finance officer.

(3) All cash so received by the state local finance officer shall be deposited with the state treasurer to the credit of a fund designated the "county sinking fund." All assets other than cash shall be deposited with the state treasurer and shall be liquidated, upon authorization of the commission, within a reasonable time.

(4) The county treasurer of any county complying with the provisions of this section shall remit monthly to the state local finance officer all moneys received from any tax levy made for the exclusive purpose of paying principal and interest on any bonds. Any moneys appropriated in the county budget from any other source or any moneys required by law to be used for the same purpose shall be remitted as required for paying any principal and/or interest maturities or meeting sinking fund requirements. The state local finance officer is authorized to institute actions in the Franklin Circuit Court to enforce the provisions of this subsection or to recover any such funds as may have been misapplied.

(5) Accounts showing the county sinking fund receipts and disbursements shall be kept by the state local finance officer for each bond issue of each county for which deposits are made in said fund. As of the

close of the county fiscal year the state local finance officer shall, within thirty (30) days thereafter, render to the judge of each county having deposits in said fund a statement thereof for each bond issue of that county. On or about the first day of May of each year, the state local finance officer shall deliver to the county judge/executive[, as chairman of the county budget commission,] an estimate of the principal and interest requirements of outstanding bonds issued by said county or of the proportionate annual amount which should be deposited in a sinking fund.

(6) Disbursements from the county sinking fund shall, when authorized by the state local finance officer, be made in the same manner as other claims on the Commonwealth are paid. Disbursements may be made only for (a) the payment of principal or interest, or both, of the bonds for which the deposit was made, and (b) the investment of such funds as is hereinafter authorized.

(7) All coupons and bonds for the payment of which deposits are made in the county sinking fund shall be paid either directly by the state local finance officer or by the bank designated as paying agent. Such bank may be paid a reasonable fee for such services by the department for local government out of its appropriation. All paid bonds and coupons shall be surrendered to the state local finance officer and canceled, and shall be delivered to the judge/executive of each county along with the annual statement provided for in this section.

Section 10. KRS 66.523 is amended to read as follows:

(1) The board shall prepare a public improvements financing plan which shall become the basis of all its operations including its requests to the fiscal court for appropriations for improvements and facilities described in KRS 66.520. In preparing the plan the board may use the services of all governmental agencies having any duties in connection with the matters of statewide concern described in KRS 66.520. The plan shall include in detail the sources of revenue to defray the costs of all projects. Revenue from appropriations made under KRS 66.520 and planned revenue from annual rental payments shall not be aggregated with each other or any other sources of revenue for any improvement contemplated.

(2) The board shall submit its plan to the fiscal court before incurring any obligation (aside from costs incident to preparation of the plan) with respect to any public improvement. If the fiscal court does not disapprove of the plan in part or as a whole within ninety (90) days from the time the board transmits the plan to the fiscal court, the board may implement the plan to the extent it was not disapproved. The failure of the fiscal court to disapprove the plan, or part of it, shall in no way be deemed to make any obligation incurred by the board under the plan an obligation of the fiscal court.

(3) Annually, at least ninety (90) days prior to the adoption of the proposed county budget [by the county budget commission] pursuant to KRS 68.240, the board shall submit to the fiscal court a report of its affairs. Any supplements or amendments to the board's plan shall be included in the report. The fiscal court shall have ninety (90) days to disapprove of any supplements or amendments. Disapproval or the lack of it for all or any parts of the supplements or amendments shall have the same results as subsection (2) orders for the original plan.

(4) No amendment or supplement shall reduce or release any prior obligation of the board without consent of the obligees.

Section 11. KRS 68.230, County Budget Commission, is repealed.

The Committee on Elections and Constitutional Amendments reported **HCR 7** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HCR 7, A CONCURRENT RESOLUTION requesting and petitioning the Congress of the United States for the purpose of requesting appropriate action by the Congress, either acting by consent of two-thirds of both Houses or, upon the application of the legislatures of two-thirds of the several states, calling a constitutional convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year.

WHEREAS, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

WHEREAS, the annual Federal budget continually demonstrates the unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues; and

WHEREAS, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

WHEREAS, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all Federal spending and be in balance; and

WHEREAS, believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

WHEREAS, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action vital;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That this Body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the House of Representatives of the General Assembly of the Commonwealth of Kentucky requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring, in the absence of a national emergency, that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year.

Section 2. That, alternatively, this Body makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year.

Section 3. That this Body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the Federal Constitution.

Section 4. That this application by this body constitutes a continuing application in accordance with Article 5 of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article 5; but if the United States Congress proposes an amendment to the United States Constitution identical in subject matter to that contained in this concurrent resolution then this petition for a constitutional convention shall no longer be of any force or effect.

Section 5. That this application and request be deemed null and void, rescinded and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

Section 6. That copies of this Resolution be sent by the Secretary of State to the members of Congress from Kentucky.

Section 7. That the Secretary of State of this State is directed to send copies of this Joint Resolution to the Secretary of State and presiding officers of both Houses of the Legislature of each of the other States in the Union, the Clerk of the United States House of Representatives, Washington, D. C. and the Secretary of the United States Senate, Washington, D. C.

The Committee on Health and Welfare reported **HB 214** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 214, AN ACT relating to the medical assistance program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 205.560 is amended to read as follows:

(1) The scope of medical care for which the department for human resources undertakes to pay shall be designated and limited by regulations promulgated by said department, pursuant to the provisions hereof. Within the limitations of any appropriation therefor, the provision of complete upper and lower dentures to recipients of medical assistance program benefits who have their teeth removed by a dentist resulting in the total absence of teeth shall be a mandatory class in the scope of medical care. Payment to a dentist of any such medical assistance program benefits for complete upper and lower dentures shall only be provided on the condition of a preauthorized agreement between an authorized representative of the medical assistance program and the dentist prior to the removal of such teeth. *Recipients of medical assistance shall receive information in writing annually explaining the availability of dentures through the medical assistance program, explaining the eligibility requirements for dentures, and informing recipients that dentures are available through dental clinics of schools of dentistry as well as through private dentists.* The selection of

another class or other classes of medical care shall be recommended by the council to the secretary for human resources after taking into consideration, among other things, the amount of federal and state funds available, the most essential needs of recipients, and the meeting of such need on a basis insuring the greatest amount of medical care as defined in KRS 205.510 consonant with the funds available including but not limited to the following categories; except where such aid is for the purpose of obtaining an abortion, induced miscarriage or induced premature birth unless, in the opinion of a physician such procedures are necessary for the preservation of the life of the woman seeking such treatment or except an induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or her unborn child:

(a) Hospital care, including drugs, and medical supplies and services during any period of actual hospitalization;

(b) Nursing home care, including medical supplies and services, and drugs during confinement therein on prescription of a physician, dentist, or podiatrist;

(c) Drugs, nursing care, medical supplies and services during the time when a recipient is not in a hospital but is under treatment and on the prescription of a physician, dentist, or podiatrist;

(d) Physician, podiatric, dental and optometric services;

(e) Nonprofit neighborhood health organizations or clinics where some or all of the medical services are provided by licensed registered nurses or by advanced medical students presently enrolled in a medical school accredited by the Association of American Medical Colleges and where such students or licensed registered nurses are under the direct supervision of a licensed physician who rotates his services in this supervisory capacity between two or more of the nonprofit neighborhood health organizations or clinics specified herein.

(2) Payments for hospital care, nursing home care, and drugs or other medical, ophthalmic, podiatric and dental supplies shall be on bases which relate the amount of the payment to the cost of providing such services or supplies. It shall be one of the functions of the council to make recommendations to the department for human resources with respect to such bases for payment.

(3) No vendor payment shall be made unless the class and type of medical care rendered and the cost basis therefor has first been designated by regulation.

(4) The rules and regulations of the department for human resources shall require that a written statement including the required opinion of a physician shall accompany any claim for reimbursement for abortions, induced miscarriages or premature births. This statement shall indicate the procedures used in providing such medical services.

(5) The range of medical care benefit standards provided and the quality and quantity standards and the methods for determining cost formulae for vendor payments within each category of public assistance and other recipients shall be uniform for the entire state, and shall be designated by regulation promulgated within the limitations established by the Social Security Act and federal regulations. The amount of payments for units of services need not be uniform for the entire state but may vary from county to county and from city to city, as well as among hospitals, based on the prevailing cost of medical care in such locale and other local economic and geographic conditions.

(6) Nothing in this section shall require that any payment be made for optometric services or ophthalmic supplies.

The Committee on Education reported **HB 37, HB 137, HB 150,** and **HJR 3** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 37, AN ACT relating to prayer in the schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

At the commencement of the first class of each day in all grades in all public schools, the teacher in charge of each class shall announce that a period of prayer may be offered by a student volunteer, and during any such period of prayer those students who do not wish to participate may be excused.

HB 137, AN ACT relating to education and making an appropriation therefor.

WHEREAS, large segments of the population of the Commonwealth of Kentucky are without adequate access to medical, dental and legal services; and

WHEREAS, many areas of the Commonwealth have been designated as physician-shortage areas, and many of these areas also have shortages of other trained medical and professional personnel; and

WHEREAS, information indicates that students from shortage areas are more likely to return to those areas to practice; and

WHEREAS, there is a need to increase the number of students from shortage areas who apply for, are admitted to, and graduate from professional programs; and

WHEREAS, special efforts must be exerted to interest and prepare students from shortage areas for admission to, and success in, professional schools;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

There shall be established in the council on higher education an office of professional education preparation programs. The office shall have as its principal responsibility the coordination, development, and implementation, through appropriate means, of educational activities directed toward solving the problem of professional manpower distribution in the Commonwealth. For the purposes of this Act, the words "profession" and "professional" mean medicine, dentistry and law.

SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The office of professional education preparation programs shall coordinate, promote and support activities designed to:

(1) Identify high school students and other individuals from designated underserved areas of the Commonwealth who have indicated an interest in, and demonstrated potential for pursuing professional careers;

(2) Provide special educational opportunities for such students to prepare themselves for admission to, and graduation from, professional schools;

(3) Provide extramural (off-campus) educational opportunities for professional students in rural and other designated underserved areas of the Commonwealth;

(4) Identify currently enrolled professional students, post-graduate trainees and residents who are deemed to have realistic potential for recruitment to practice in underserved areas of the Commonwealth;

(5) Provide for the intensive recruitment of such students and postgraduate trainees for practice in underserved areas;

(6) Provide technical assistance to communities in their professional manpower recruitment efforts.

SECTION 3. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The council on higher education shall:

(1) Employ a director and sufficient staff to administer the professional education preparation programs;

(2) Formulate guidelines and policies governing program activities and fund expenditures;

(3) Allocate funds to appropriate agencies, organizations, and institutions for the purpose of conducting activities approved in accordance with guidelines and policies;

(4) Recognize regional groups made up of professionals, educators, and consumers, which shall serve in an advisory capacity to the council in accordance with guidelines and policies;

(5) Recognize a group made up of professionals, educators and consumers which shall serve in an advisory capacity to the council on all program matters;

(6) Develop and maintain a mechanism for evaluating the impact of the program activities on admissions to, and graduation from, professional schools, and on professional manpower distribution;

(7) Conduct specific program activities which are beyond the capability of a single institution, agency, or organization, or when it is determined that it would be inappropriate for such institutions, agencies, or organizations to conduct the activity;

(8) Establish liaison with and provide assistance to the state board for elementary and secondary education and the state board for occupational education in developing counseling and other related programs to encourage students from shortage areas to prepare for professional careers;

(9) Coordinate the development of a financial support system to enable potential professional students in underserved areas which will enhance their ability to apply for, be admitted to, and graduate from professional education programs;

(10) Report at least annually to the appropriate committees and interim committees of the general assembly on the operation of the program.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

Every public institution of higher education in the Commonwealth of Kentucky offering professional education programs in the areas of medicine, dentistry, and law shall establish and publish the criteria by which applicants for admission are evaluated and the approximate weight of each criteria including a criterion based upon permanent residence in underserved or underrepresented areas of the Commonwealth.

SECTION 5. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The area health education system in the council on higher education is hereby recognized.

Section 6. To carry out the purposes of this Act, there is appropriated to the council on higher education out of the general fund in the state treasury the sum of $404,000 for the 1980-81 fiscal year and the sum of $745,000 for the 1981-82 fiscal year.

HB 150, AN ACT relating to residency positions for medical school graduates in primary care disciplines.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.929 is amended to read as follows:

(1) All new residency positions shall be *sponsored by* [located at] the University of Kentucky *or* [and] the University of Louisville[, but not less than one-third of the total man months per year, for the residency positions created in KRS 164.925 to 164.933, shall be spent practicing in a community facility which has been recommended by the University of Kentucky or the University of Louisville and approved by the council on higher education]. *The residency positions created by KRS 164.927 shall be served in sites approved by the appropriate specialty board for certification and by the council on higher education.*

(2) *Funding priority shall be given to programs in which all or a portion of the residency occurs in sites away from both the University of Kentucky and the University of Louisville.*

(3) Each individual serving a residency under KRS 164.927 shall, within the total period of residency, undertake a minimum of three (3) months education in a community facility in Kentucky outside the counties of Fayette and Jefferson, subject to the approval of the certifying board in each specialty.

(4) The University of Kentucky and the University of Louisville shall recommend policies and procedures for determining the allocation of new residency positions for approval by the council on higher education using the following criteria:

(a) The available or expected number and types of qualified faculty necessary for the proper degree of supervision and teaching;

(b) The scope and volume of patient care;

(c) The amount of available physical facilities;

(d) The current number and types of residency positions offered at each university;

(e) Regional needs for the manpower trained under the provisions of KRS *164.927* [164.925] to 164.933;

(f) The extent of involvement in education in primary care in ambulatory care settings; and

(g) Any other criteria which may be developed by the University of Kentucky and the University of Louisville and accepted by the council on higher education.

HJR 3, A JOINT RESOLUTION directing the Department of Education to develop and implement a pilot program to determine the actual cost per pupil of programs funded through the Foundation Program.

WHEREAS, the Foundation Program is designed to provide for the equitable distributing of funds to local school districts so that school children throughout the Commonwealth receive equal educational opportunities; and

WHEREAS, funds are appropriated and allotted under the Foundation Program on the basis of classroom units such that the specific needs of pupils are not necessarily addressed; and

WHEREAS, the present method of financial reporting employed uniformly among school districts does not reflect the costs of specific programs; and

WHEREAS, the present method of pupil attendance accounting does not report the number of pupils in each classroom; and

WHEREAS, the General Assembly needs to know the actual costs per pupil of programs so it can appropriate funds to meet the specific needs of pupils in the Commonwealth;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That it is the intention of the General Assembly to determine the actual costs per pupil of programs funded through the Foundation Program for the purpose of providing information which will enable the General Assembly to appropriate funds for distribution to school districts on the basis of a weighted pupil unit or weighted classroom unit. It is the further intention of the General Assembly that unit costs be determined by the Department of Education through the establishment of pilot programs in school districts which shall institute financial and pupil accounting procedures determined to be necessary to provide pertinent information. Pilot programs shall be in operation during the 1980-81 and 1981-82 school years. Data collected shall be used to establish a more accurate method of weighting pupil or classroom units for calculating Foundation Program funds to be allotted to school districts. Financial and pupil accounting procedures developed through the pilot programs, if shown to provide the General Assembly with data needed to allot funds on a more equitable basis, shall be incorporated into general use in all public school districts in the Commonwealth as soon as is feasible.

Section 2. The Superintendent of Public Instruction shall select by July 1, 1980, not less than ten (10) school districts to serve as pilot sites. Participation shall be voluntary. Pilot districts selected shall be broadly representative of districts in the Commonwealth considering such factors as pupil enrollment, type of political subdivisions, wealth per pupil, tax rate levies and numbers of vocational and exceptional units in operation.

Section 3. Financial and pupil accounting data collected shall include but not be limited to the following program areas: kindergarten, primary grades, middle grades, high school grades, vocational, and exceptional. Data collection procedures developed shall be adaptable for use in computer operated systems, machine operated systems, and hand operated systems.

Section 4. There shall be appointed a pilot program advisory committee in accordance with the following:

(1) The committee shall be composed of fifteen (15) members, one (1) member each from the Kentucky Association of School Administrators, the Kentucky School Boards Association, and the Kentucky Education Association appointed by their respective organizations, eight (8) members from participating pilot school districts and two (2) members from school districts not participating as pilot school districts appointed by the state superintendent of public instruction, and two (2) members of the General Assembly from the Interim Joint Committee on Education to be appointed by the Legislative Research Commission. Members shall be appointed by July 1, 1980. The committee shall function until June 30, 1982. Vacancies occurring on the committee shall be filled immediately in the manner of original appointment.

(2) The committee shall elect a chairman from its membership.

(3) The state superintendent of public instruction shall make periodic reports to the State Board for Elementary and Secondary Education and the State Board for Occupational Education and shall designate a staff member of the Department of Education as executive secretary of the committee.

(4) The functions of the committee shall be to advise the state superintendent of public instruction in the development and implementation of the procedures to be used in the pilot school districts and to approve periodic progress reports and a final report which shall contain a financial report and which shall be submitted to the Legislative Research Commission by June 30, 1982.

(5) The members of the committee shall be remunerated for actual and necessary expenses incurred while attending meetings of the advisory committee or while serving in the capacity as representatives of the committee.

(6) The committee shall meet at least three (3) times each year at such times and places as it determines by resolution.

Section 5. The Department of Education shall assume the following functions in developing and implementing the pilot program:

(1) The department, with assistance from the pilot program advisory committee shall develop or cause to be developed in the 1980-81 and 1981-82 school years a pilot program to determine actual costs per pupil of programs funded through the Foundation Program.

(2) The department shall provide staff assistance to the advisory committee.

(3) The department shall provide technical assistance and in-service training for appropriate staff members of pilot school districts.

(4) The department shall administer the funds appropriated for the implementation of the pilot program and such funds may be expended for the following:

(a) Establish contractual relationships with individuals and agencies located within or without the Commonwealth for the purpose of developing and implementing procedures to determine costs per pupil.

(b) Employ personnel in the department as needed and reimburse pilot school districts for direct costs incurred as a result of participating in the pilot program.

(c) Pay expenses for Department of Education personnel employed under (b) of this subsection.

(d) Pay expenses for school district personnel to attend in-service training meetings provided in subsections (3) and (4) of this section.

(e) Pay expenses of advisory committee members.

(f) Purchase forms and pay other necessary expenses as needed in the development and implementation of the pilot program.

Section 6. To carry out the provisions of this resolution, there is appropriated from the General Fund to the Department of Education the sum of $10,000 for fiscal year 1979-80 and $225,000 for fiscal year 1980-81, which sum shall not lapse but shall be carried forward to the next fiscal year and $250,000 for fiscal year 1981-82.

Section 7. Whereas, in order for pilot programs to operate two full fiscal years thereby providing the most accurate cost data possible, the Department of Education needs to have lead time to select pilot school districts and find qualified personnel to operate the program, therefore, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the governor.

The Committee on Banking and Insurance reported **HB 122,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 122, AN ACT relating to automobile liability insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 20 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No language appearing on a check representing payment by an insurer under an automobile liability insurance policy shall release the insurer from further liability for property damage or personal injury claims, notwithstanding any signatures which appear on the check.

The Committee Amendment to **HB 122** is as follows:

Amend printed copy of **HB 122** on page 1, line 3 after the word "check" insert the words "or draft";

and on page 1, line 7 after the word "check" and before the "." insert the words "or draft".

Calendar

HB 8, HB 83, HR 4, HB 98, HB 146, HB 147, HB 43, HB 61, HB 94, HB 102, and **HJR 27** taken from the Calendar and order read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 11, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Haering moved the adoption of the Committee Amendment No. 1 to **HB 11.** Agreed.

Representative Haering moved passage of **HB 11,** as amended.

On the roll call the vote was yeas 93-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blanford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates.

HB 11, as amended, was passed and the title agreed to.

Representative Haering moved that the vote by which **HB 11,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Motions, Petitions, and Communications

The Speaker Pro Tempore Hancock presiding.

Representative B. Richardson moved that the rules be suspended to act upon a Resolution. Agreed.

Representative B. Richardson moved the adoption of the following **HCR 35:**

HCR 35, A CONCURRENT RESOLUTION inviting the Chief Justice of the Supreme Court to address a joint session of the General Assembly.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Honorable John S. Palmore, Chief Justice of the Supreme Court of Kentucky be and he is hereby invited to address a joint session of the General Assembly on Thursday, January 24, 1980, at 2:00 p.m. (EST), in the chamber of the House of Representatives.

Section 2. That the Clerk be directed to transmit a copy of this resolution to Judge Palmore.

HCR 35 was adopted by voice vote.

Representative Guenthner requests that he be recorded as voting "yea" on **HB 21, HB 42, HB 84,** and **HB 117.**

Representative Burnette moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Burnette moved the adoption of the following **HR 36:**

HR 36, A RESOLUTION honoring Coach Mike Gottfried and the 1979 Murray State University Football Racers.

WHEREAS, the 1979 Murray State University Football Racers achieved a 9-1-1 season; one of the most successful seasons in the history of the school; and

WHEREAS, the Racers of Murray State University captured the 1979 Ohio Valley Conference Championship title; and

WHEREAS, this powerful Murray team advanced to the semi-final round of the 1979 NCAA Division 1-AA Football tournament;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Coach Mike Gottfried and his staff be honored and commended for their contributions to Murray State University's athletic program, as well as, to the development of outstanding and responsible young athletes.

Section 2. That every member of the football team be applauded as exemplary representatives of the Commonwealth of Kentucky.

Section 3. That the Clerk of the House be directed to forward a copy of this resolution to Coach Gottfried and the members of the 1979 Murray State University Team.

HR 36 was adopted by voice vote.

Representative Ellington requested that he be recorded as voting "yea" on **HB 11.**

Representative Bennett moved that **HB 275** be returned to the Committee on Committees for reassignment. Agreed.

Representative Blythe moved that the rules be suspended for the purpose of recording a vote change.

On the roll call the vote was yeas 70-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Kidd, Layman, LeMaster, Lewis, List, Mann, McBee, McKinney, Moberly, Nett, Overstreet, Pearman, Plummer, Priddy, Rapier, Reynolds, Richards, P. Richardson, Riner, Robinson, Sale, Schmidt, Stone, Stumbo, Thomas, Turner, Van Horn, Weinberg, White, Wilborn, Williams. Nays 6-Burnette, Dunn, B. Richardson, Romines, Thomason, Wright.

The motion that the rules be suspended for the purpose of recording a vote change was adopted.

Representative Blythe requested that he be recorded as voting "yea" on **HB 134.**

Representative Blair moved the adoption of the following Legislative Citation No. 16:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Miss Debbie Cunigan, the lovely daughter of Mr. and Mrs. Donald Cunigan of Paintsville, Kentucky. You were crowned the beautiful "Miss Apple Blossom" in the Sixteenth Annual Johnson County Apple Blossom Festival held October 2, 1979 at Paintsville, and the recipient of a two hundred dollar scholarship, a silver bowl and other gifts. You have brought great honor and pride to your school and community. As a Senior at Johnson Central High School, we are very proud of your leadership and talent demonstrated with your membership on the student council, chorus, Beta and Drama Clubs and other activities. This prestigious body salutes you and wishes you much success in the Miss Kentucky Teen-age pageant to be held June 13-15, 1980 at Georgetown College. (Sponsored by Representative Blair)

Agreed.

Representative O'Brien moved that **HR 30** be returned to the Committee on Committees for reassignment. Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Bruce, **HB 74;** Representative Foster, **HB 300;** Representative Guenthner, **HB 321;** Representative Haering, **HR 7;** Representative Head, **HB 199;** Representative Heleringer, **HB 74, HB 323;** Representative Holloway, **HB 108;** Representative Patrick, **HB 108;** Representative McKinney, **HB 136;** Representative Riner, **HB 90;** Representative Schmidt, **HB 108;** Representative Stumbo, **HB 74, HB 256, HB 261, HB 347;** Representative Wilborn, **HJR 3.**

Representative B. Richardson moved that no other business be transacted on this day other than Introduction of Bills and Resolutions, Reprot of Committees, and Announcements. Agreed.

Recess

Representative B. Richardson moved that the House recess for ten minutes for a meeting of the Committee on Rules. Agreed.

The Speaker Pro Tempore resumed the Chair and called the House to order.

Introduction of Bills and Resolutions (Cont.)

HB 342, by Representative Clarke: AN ACT relating to property assessment.

HB 343, by Representative Worthington: AN ACT relating to individual income tax.

HB 344, by Representative Pearman: AN ACT relating to architects.

HB 345, by Representative Pearman: AN ACT relating to elections.

HB 346, by (Joint Sponsors) Representatives Clapp, Bruce, and Adams: AN ACT relating to recyclers.

HB 347, by Representatives Deskins, Little, Brown, Cawood, Dawhare, Head, and Overstreet: AN ACT relating to mining.

HB 348, by Representatives Nett, Romines, Bendl, Bennett, Blythe, Bronger, Burch, Clark, Dunn, Guenthner, Haering, Heleringer, Hines, Holloway, Kidd, Maynard, O'Brien, Priddy, Riner, Williams, Wright, and Yates: AN ACT relating to elections.

HB 349, by Representatives Cyrus, Gray, Allen, Bennett, Brinkley, Bronger, Brown, Cawood, Clark, Curd, Dawahare, Deskins, Donnermeyer, Fryman, Head, Heleringer, Isler, Kidd, Little, Lundergan, Mann, Moberly, Overstreet, Petty, Priddy, Reynolds, Romines, Smith, Stone, Stumbo, Van Horn, White, Williams, and Yates: AN ACT relating to workmen's compensation.

HB 350, by Representatives Pearman and Boswell: AN ACT relating to elections.

HB 351, by Representative Weinberg: AN ACT relating to revenue and taxation.

HCR 37, by Representatives Cawood, Hancock, and Barrows: A CONCURRENT RESOLUTION directing a study of incentives to encourage floodproofing.

Reference of Bills and Resolutions (Cont.)

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Natural Resources and Environment: **HR 30.**

Posting of Bills and Resolutions for Consideration (Cont.)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Counties and Special Districts: **HB 329, HB 204, HB 207, HB 258.**

Banking and Insurance: **HB 179, HB 41.**

Report of Committees (Cont.)

The Committee on Rules reported **HB 43, HB 61, HB 83, HB 98, HCR 4,** and **HJR 27** have been posted for passage in Orders of the Day, January 25, 1980.

The Committee on Banking and Insurance reported **HB 104,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 104, AN ACT relating to automobile insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.20-040 is amended to read as follows:
(1) As used in this section:
(a) "Policy" means an automobile liability insurance policy, delivered or issued for delivery in this state, insuring a single individual or husband and wife resident of the same household, as named insured, and under which the insured vehicles therein designated are of the following types only:
1. A motor vehicle of the private passenger or station wagon type that is not used as a public or livery conveyance for passengers, nor rented to others; or
2. Any other four-wheel motor vehicle with a load capacity of 1500 pounds or less which is not used in the occupation, profession or business of the insured; Provided, however, That this section shall not apply:

a. To any policy issued under an automobile assigned risk plan, or

b. To any policy insuring more than four automobiles, or

c. To any policy covering garage, automobile sales agency, repair shop, service station or public parking place operation hazards.

(b) "Automobile liability insurance policy" includes only coverage of bodily injury and property damage liability, and the provisions therein, if any, relating to medical payments, uninsured motorists coverage, and automobile physical damage coverage.

(c) "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy replacing at the end of the policy period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term; Provided, however, That any policy with a policy period or term of less than six (6) months shall for the purpose of this section be considered as if written for a policy period or term of six (6) months. Provided, further, That any policy written for a term longer than one (1) year or any policy with no fixed expiration date, shall for the purpose of this section, be considered as if written for successive policy periods or terms of one (1) year, and such policy may be terminated at the expiration of any annual period upon giving twenty (20) days' notice of cancellation prior to such anniversary date, and such cancellation shall not be subject to any other provisions of this section.

(d) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy, or any instalment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

(2) (a) A notice of cancellation of a policy shall be effective only if it is based on one or more of the following reasons:

1. Nonpayment of premium; or

2. The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has been under suspension or, revocation during the policy period or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date.

(b) This subsection shall not apply to any policy or coverage which has been in effect less than sixty (60) days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy.

(c) Modification of automobile physical damage coverage by the inclusion of a deductible not exceeding $100 shall not be deemed a cancellation of the coverage or of the policy.

(d) This subsection shall not apply to nonrenewal.

(3) No notice of cancellation of a policy to which subsection (2) of this section applies shall be effective unless mailed or delivered by the insurer to the named insured at least twenty (20) days prior to the effective date of cancellation; Provided, however, That where cancellation is for nonpayment of premium at least ten (10) days' notice of cancellation accompanied by the reason therefor shall be given. Unless the reason accompanies or is included in the notice of cancellation, the notice of cancellation shall state or be accompanied by a statement that upon written request of the named insured, mailed or delivered to the insurer not less than fifteen (15) days prior to the effective date of cancellation the insurer will specify the reason for such cancellation. This subsection shall not apply to renewals.

(4) No insurer shall refuse to renew a policy of automobile insurance solely because of the age of the insured.

(5)[(4)] No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least twenty (20) days' advance notice of its intention not to renew. This subsection shall not apply:

(a) If the insurer has manifested its willingness to renew; nor

(b) In case of nonpayment of premium. Provided, That, notwithstanding the failure of an insurer to comply with this subsection, the policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies. Renewal of a policy shall not constitute a waiver of estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

(6) The reason for nonrenewal shall accompany or be included in the notice of nonrenewal.

(7)[(5)] Proof of mailing of notice of cancellation or of intention not to renew or of reasons for cancellation *or nonrenewal* to the named insured at the address shown in the policy, shall be sufficient proof of notice.

(8)[(6)] When an automobile liability insurance policy is canceled other than for nonpayment of premium, or in the event of failure to renew a policy of automobile liability insurance to which subsection (4) of this section applies, the insurer shall notify the named insured of his possible eligibility for automobile liability insurance coverage through the Kentucky automobile assigned risk plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew.

(9)[(7)] Where the reason for cancellation does not accompany or is not included in the notice of cancellation, the insurer shall upon written request of the named insured, mailed or delivered to the insurer

not less than fifteen (15) days prior to the effective date of cancellation, specify in writing the reason for such cancellation. Such reason shall be mailed or delivered to the named insured within five (5) days after receipt of such request.

(10)[(8)] There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner or against any insurer, its authorized representative, its agents, its employes, or any firm, person or corporation furnishing to the insurer information as to reasons for cancellation, for any statement made by any of them in any written notice of cancellation, or in any other communication, oral or written specifying the reasons for cancellation, or the providing of information pertaining thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith.

The Committee Substitute to **HB 104** is as follows:

HB 104, AN ACT relating to automobile insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.20-040 is amended to read as follows:

(1) As used in this section:

(a) "Policy" means an automobile liability insurance policy, delivered or issued for delivery in this state, insuring a single individual or husband and wife resident of the same household, as named insured, and under which the insured vehicles therein designated are of the following types only:

1. A motor vehicle of the private passenger or station wagon type that is not used as a public or livery conveyance for passengers, nor rented to others; or

2. Any other four-wheel motor vehicle with a load capacity of 1500 pounds or less which is not used in the occupation, profession or business of the insured; Provided, however, That this section shall not apply:

a. To any policy issued under an automobile assigned risk plan, or

b. To any policy insuring more than four automobiles, or

c. To any policy covering garage, automobile sales agency, repair shop, service station or public parking place operation hazards.

(b) "Automobile liability insurance policy" includes only coverage *for* [of] bodily injury and property damage liability, *basic reparations benefits* and the provisions therein, if any, relating to medical payments, uninsured motorists coverage, and automobile physical damage coverage.

(c) "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy replacing at the end of the policy period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term; Provided, however, That any policy with a policy period or term of less than six (6) months shall for the purpose of this section be considered as if written for a policy period or term of six (6) months. Provided, further, That any policy written for a term longer than one (1) year or any policy with no fixed expiration date, shall for the purpose of this section, be considered as if written for successive policy periods or terms of one (1) year, and such policy may be terminated at the expiration of any annual period upon giving twenty (20) days' notice of cancellation prior to such anniversary date, and such cancellation shall not be subject to any other provisions of this section.

(d) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy, or any instalment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

(2) (a) A notice of cancellation of a policy shall be effective only if it is based on one or more of the following reasons:

1. Nonpayment of premium; or

2. The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has been under suspension or, revocation during the policy period or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date.

(b) This subsection shall not apply to any policy or coverage which has been in effect less than sixty (60) days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy.

(c) Modification of automobile physical damage coverage by the inclusion of a deductible not exceeding $100 shall not be deemed a cancellation of the coverage or of the policy.

(d) This subsection shall not apply to nonrenewal.

(3) No notice of cancellation of a policy to which subsection (2) of this section applies shall be effective unless mailed or delivered by the insurer to the named insured at least twenty (20) days prior to the

effective date of cancellation; Provided, however, That where cancellation is for nonpayment of premium at least ten (10) days' notice of cancellation accompanied by the reason therefor shall be given. Unless the reason accompanies or is included in the notice of cancellation, the notice of cancellation shall state or be accompanied by a statement that upon written request of the named insured, mailed or delivered to the insurer not less than fifteen (15) days prior to the effective date of cancellation the insurer will specify the reason for such cancellation. This subsection shall not apply to renewals.

(4) No insurer shall refuse to renew a policy of automobile insurance solely because of the age of the insured.

(5)[(4)] No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least twenty (20) days' advance notice of its intention not to renew. This subsection shall not apply:

(a) If the insurer has manifested its willingness to renew; nor

(b) In case of nonpayment of premium. Provided, That, notwithstanding the failure of an insurer to comply with this subsection, the policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies. Renewal of a policy shall not constitute a waiver *or* [of] estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

(6)[(5)] Proof of mailing of notice of cancellation or of intention not to renew or of reasons for cancellation *or nonrenewal* to the named insured at the address shown in the policy, shall be sufficient proof of notice.

(7)[(6)] When an automobile liability insurance policy is canceled other than for nonpayment of premium, or in the event of failure to renew a policy of automobile liability insurance to which subsection (4) of this section applies, the insurer shall notify the named insured of his possible eligibility for automobile liability insurance coverage through the Kentucky automobile assigned risk plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew.

(8)[(7)] *The reason for nonrenewal or cancellation shall accompany or be included in the notice of nonrenewal or cancellation* [Where the reason for cancellation does not accompany or is not included in the notice of cancellation, the insurer shall upon written request of the named insured, mailed or delivered to the insurer not less than fifteen (15) days prior to the effective date of cancellation, specify in writing the reason for such cancellation. Such reason shall be mailed or delivered to the named insured within five (5) days after receipt of such request].

(9)[(8)] There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner or against any insurer, its authorized representative, its agents, its employes, or any firm, person or corporation furnishing to the insurer information as to reasons for cancellation *or nonrenewal*, for any statement made by any of them in any written notice of cancellation *or nonrenewal*, or in any other communication, oral or written specifying the reasons for cancellation *or nonrenewal*, or the providing of information pertaining thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith.

The Committee on Education reported **HB 51,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 51, AN ACT relating to student fees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.107 is amended to read as follows:

(1) No public common school shall charge a fee, or rental, or require a student to purchase instructional materials for enrollment, full participation or completion in any regular school program, grades kindergarten through twelve (12). Fees do not include items of personal attire, purchase or rental of musical instruments, or materials, other than instructional materials, which become the property of the pupil. *Students may be charged for admission fees and transportation costs for cultural enrichment programs or field trips under the following conditions:*

(a) Participation is voluntary on the part of the student;

(b) The activity is of a type authorized by the local board of education;

(c) The activity has been approved by the superintendent as an enrichment activity;

(d) The program or trip is for other than an athletic activity; and

(e) The local school board has arranged to pay such charges for those students who could not otherwise participate.

(2) Each public school district shall make an annual report to the department of education no later than August 1 for the preceding school year on a form provided by the department which specifies the amount of funds expended for consumable classroom supplemental instructional materials. The total of such expenditures shall be an amount at least equal to five dollars ($5.00) per child in average daily attendance. A copy of this report shall be maintained in the local superintendent's office for public inspection.

The Committee Substitute to **HB 51** is as follows:

HB 51, AN ACT relating to student fees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.107 is amended to read as follows:

(1) No public common school shall charge a fee, or rental, or require a student to purchase instructional materials for enrollment, full participation or completion in any regular school program, grades kindergarten through twelve (12), *except as provided in this section.* Fees do not include items of personal attire, purchase or rental of musical instruments, or materials, other than instructional materials, which become the property of the pupil. *Students may be charged for admission fees and transportation costs for cultural enrichment programs or field trips under the following conditions:*

(a) Participation is voluntary and is not necessary to fulfill the requirements of any course of study;
(b) The activity is of a type authorized by the local board of education;
(c) The activity has been approved by the superintendent as an enrichment activity;
(d) The program or trip is for other than an athletic activity; and
(e) The local school board has arranged to pay such charges for those students who could not otherwise participate.

(2) Each public school district shall make an annual report *on all student fees received and expended for the previous school year. The report shall be submitted* to the department of education no later than August 1 [for the preceding school year] on a form provided by the department. *Expenditures for consumable classroom supplemental instructional materials shall be an amount not less than ten dollars ($10)* [which specifies the amount of funds expended for consumable classroom supplemental instructional materials. The total of such expenditures shall be an amount at least equal to five dollars ($5.00)] per child in average daily attendance. A copy of this report shall be maintained in the local superintendent's office for public inspection.

Announcements

Representative Clarke announced a meeting of the Committee on Appropriations and Revenue, Thursday, 10:00 a.m., Room A.

Representative Arnold announced a meeting of the Committee on Counties and Special Districts, Thursday, 1:30 p.m., Room 9.

Representative Deskins announced a meeting of the Committee on Natural Resources and Environment, Thursday, 12 noon, Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Thursday, January 24, 1980.

On the roll call the vote was yeas 68-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Brinkley, Bronger, Bruce, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, Lewis, List, Lundergan, Mann, May, McBee, McNutt, Morris, Nett, Noe, Pearman, Petty, Priddy, Rapier, Reynolds, Richards, P. Richardson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Wilborn, Worthington, Yates. Nays 8-Blythe, Boswell, Davenport, Deskins, LeMaster, Overstreet, Plummer, Robinson.

The motion to adjourn was adopted.

THURSDAY, JANUARY 24, 1980

ELEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of January 23, 1980, be dispensed with and the same approved. Agreed.

Representative B. Richardson moved that the House resolve itself into a Committee of the Whole to go into Joint Session with the Senate. Agreed.

The Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate, and the members of the Senate entered upon the floor of the House.

The Speaker recognized the Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate.

Joint Session

The Speaker vacated the Chair, whereupon the Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate, assumed the Chair and called the Joint Session to order.

Representative B. Richardson moved that the House and Senate resolve into Joint Session for the purpose of hearing the State of the Judiciary Address by Chief Justice John S. Palmore, Supreme Court of Kentucky. Agreed.

Representative B. Richardson moved that the Joint Session of the House and Senate dispense with the call of the roll. Agreed.

Prayer by Reverend John Chenault, First Christian Church, Frankfort.

Lieutenant Governor Martha Layne Collins introduced Chief Justice John S. Palmore.

Justice Palmore addressed the Joint Session of the General Assembly, as follows:

State Of The Judiciary Address
To the General Assembly of Kentucky

By John S. Palmore, Chief Justice
Commonwealth of Kentucky
January 24, 1980

Introduction

Once again it is my great privilege, as Chief Justice, to appear before the General Assembly for the purpose of reporting on the state of the judiciary, its problems and its prospects.

Two years ago the unified judicial system mandated by the 1975 constitutional amendment was very much in its infancy. At the special session in 1976 the General Assembly had made a monumental effort to meet the challenge of enacting the statutory adjustments necessary to its successful implementation. Finishing touches were enacted in the 1978 regular session. Meanwhile, on January 1, 1978, the massive transfer of business from hundreds of county courts, magistrates' courts and city police courts to the new district court had become a reality, and the 120 circuit court clerks had assumed the responsibility for the district courts as well. From the standpoint of public and political impact, this transition was the most important and most difficult phase of the entire undertaking. It was much akin to the launching of a great vessel, newly fitted out and manned by an untried crew.

Now we have undergone the rigors of the shakedown cruise, and the time has come to assess the seaworthiness of our craft. Right off, let me assure you of this: she has weathered a stormy sea, and she will float. The question to be addressed now is what can and should be done to make her more efficient. As in the instance of those great old clipper ships which sailed around the horn and brought fame the world over to their yankee builders, the object of the whole effort is to bring the tea home from China, to get the job done safely and promptly - in a word, to satisfy the customers.

You will not be interested in hearing a recitation of dry statistics and boresome details, nor will time allow it. Each of you has received a voluminous report documenting the operation of the entire system during the calendar year 1978, and you are invited to leaf through or to study it as the spirit moves you. You are welcome also, both now and at any other time, to request such further information or clarification as you may desire. My office and our administrative offices are open to you, and nothing will be obfuscated or concealed from your scrutiny.

The annual report for 1979, of course, has not yet been put together, but most of the figures for the first 11 months of the year are in and will be made available to you as required. So, too, has a budget been prepared, and it is ready for your consideration.

We have during this biennium succeeded in living with the budget you prescribed for us (with some help from the then Governor) in 1976. This experience has laid to rest the fears of many, and the hopes of a malevolent few, that the new court system would be a financial disaster. As you know, it did not require one cent of additional taxes to finance it. It represented, in round figures, only 1% or so of the total amount of expenditures budgeted for the entire government of the state.

Had it not been for the continuing and increased inroads of inflation, which *is*, of course, a *national* disaster, we could have come before you today with only the most modest of requests for additional funding. We would have needed an increase in pay for district judges and trial commissioners, a reasonable increase in the number of trial judges, an upward adjustment in the amount of rental allowance to the counties for the use of their courthouse facilities, and a little more liberal provision here and there for additional personnel, educational programs, equipment and various housekeeping necessities, but none of this would have had serious fiscal impact were it not for the ravaging effect of the inflationary spiral. And we must not be deluded. This problem is all the more deadly by reason of the grim fact that there is no end in sight. In our efforts to deal with it today we simply have to face the realization that whatever we do, and whatever relief we are able to devise, it is likely to be only temporary. Not only is our target moving - it moves faster and relentlessly by the hour.

The District Court

The subject of principal interest and, indeed, anxiety, with which we have been concerned during the past two years has been the operation of the new district court. Though originally it had been estimated that 134 judges would be required, we got 114. It had been our recommendation also that their annual salary be fixed at $33,000, so that the difference between their compensation and that of the circuit judges would be the same as between the other levels of judges in the system. This figure, however, after having been reported favorably by an Interim Joint Committee of the General Assembly in 1976, was whittled to $27,500. Whatever may be your viewpoint today with regard to the appropriateness of these reductions, if my memory serves me correctly I suspect that the decisions were made neither in our chambers nor in yours. But that was another day and time. The world moves on.

In 1978 the workload of our 114 district judges amounted to almost 600,000 cases, an average of about 5,000 per judge. The average disposition, or clearance rate, was 80%, ranging from 90% in one district to 50% in another, depending upon the respective amounts of overload in the various districts. The greatest overload occurred in Franklin County, in which one judge, in a superhuman effort, cleared 5,700 out of 7,800 cases coming before him. That kind of performance cannot be expected of the average judge. Only in 13 districts have the judges been able to clear a total of 5,000 cases per judge in one year. A careful analysis leads us to the conclusion that in order to avoid a continuing build-up of pending cases it is necessary that provision be made for 22 additional district judges. This necessity has been certified to you as provided by the Constitution.

The Circuit Court

The workload of our 87 circuit judges in 1978 totalled some 65,000 cases, averaging 744 per judge, with an overall clearance rate of 91%. The greatest volume occurred in Christian County, with 1,275 new cases filed. The Knox-Laurel, Clark-Madison, and Johnson-Lawrence-Martin circuits were close behind, each with one judge and each with a volume of more than 1,000 new cases per year. These four circuits are those in which we have certified the necessity for additional circuit judges. Other circuits, such as Warren County, with a volume of 981 new filings per judge, and Floyd County, with 972, are almost equally in need, and undoubtedly will require additional judgeships when the General Assembly convenes in 1982. In this connection, our statistics indicate that during the calendar year 1979 the increase in number of cases filed in circuit court will approach 20%.

In considering the workload of the circuit judges it should not be overlooked that in 18 circuits some of the work of the court is done by domestic relations and other special commissioners. In Jefferson County, for example, there are 10 appointed domestic relations commissioners. They are members of the practicing bar. The cost of their services is assessed against the litigants. By contrast, the judges of the Fayette Circuit Court handle domestic relations cases without the help of commissioners. The use of commissioners in some circuits and not in others makes a close comparison of work performance virtually impossible. In any event, the members of the Supreme Court have concluded that the institution of the domestic relations commissioner, or any other commissioner who does judicial work for an elected judge on a part-time fee basis, is unsound and should gradually be phased out of existence through a natural process of attrition. It is our philosphy that if a judge has more work than he is reasonably able to do, that which he cannot do himself should be done by another judge. Consistent with this policy, in those circuits wherein the General Assembly provides for an additional judge the courts will be expected to operate without domestic relations commissioners.

I have referred to the 91% disposition-rate of cases filed in the circuit court. It should be understood that this figure is to some extent inflated by reason of the fact that in several circuits the judges have purged a great deal of dead wood from their dockets by dismissing old and inactive cases. Thus the figures that will be studied by your legislative committees will in some instances reflect a clearance rate of more than 100%, as, for example, in Hopkins County, where in 1978 it was 207%.

Regional Administration

Those of you who served during the 1978 session will recall that we had just instituted a pilot project of regional administration in which several circuits were combined into two regions for the purpose of distributing the workload more evenly among the available judges in the region. In simple terms, the object was to make more efficient use of manpower by temporarily assigning judges with lighter workloads to help those whose volume of work was greater than they could currently handle. This plan has been very successful, and it has now been extended throughout the state for the circuit courts and established in three regions for district courts. As you are well aware, redistricting always has been a thorny political problem, and often it has proved to be quite wasteful. The assignment of judges whose volume of business is less than average to assist in the disposition of business pending before judges whose dockets are excessive has greatly alleviated that perennial problem. Since the beginning of 1978, 504 cross-assignments have been made among circuit judges and 144 among the district judges.

The Appellate Courts

Both of the appellate courts, the Court of Appeals and the Supreme Court, have remained reasonably current in the disposition of cases ready to be heard. In the calendar year 1979, 2,046 appeals and original actions were filed in the Court of Appeals and 1,989 were decided. The Chief Judge of that court estimates that the existing backlog represents about three months' work. There will be no need for additional judges during the next biennium, but only if there is no legislation increasing the volume of work. For example, last year 771 appeals were taken from the Workmen's Compensation Board to the circuit courts, and 249 were taken from the circuit courts to the Court of Appeals. In the event of legislation designed to by-pass the circuit courts, presumably 500 or so of the compensation cases that now end in circuit court will go to the Court of Appeals. That represents the work capacity of five to six additional appellate judges. If, therefore, such a change is made at this session, it will be necessary for us to certify a necessity for more appellate judges.

The Supreme Court during 1979 received 240 appeals, nine original actions, and 22 bar association disciplinary proceedings. It handed down 224 opinions disposing of 258 cases. As of December 31, 1979, 30 cases were ready for oral argument and 27 cases previously argued had been assigned to the members of the Court for preparation of opinions. We entertained 470 motions for review of Court of Appeals decisions, granted 123, and denied 320. The others are on the current docket. Roughly 800 motions of various kinds were heard and decided. Our house is in reasonably good order.

The Problem of Delay in the Courts

Before leaving the subject of judicial manpower requirements, which, as you probably are aware, is a matter of intensive and continuing research and study by the Administrative Office of the Courts, I want to offer this, my own view of the over-all perspective. When you have a flat tire and seek the assistance of a garage or service station, the job is done within a matter of minutes. When you need a doctor it takes a little longer. But when you have a legal problem of a civil or non-criminal nature that requires a court to resolve it, ordinarily it takes months or years of time, worry, expense and frustration. Why is this? Why cannot we have more prompt decisions from the courts? As I see it, there are two major causes for delay in the courts. One is that there is an overabundance of procedural options and safeguards, all of which are well-intended and exist for the purpose of making certain that each litigant has an ample opportunity to develop and present his side of the controversy. During my 30 years or so as a lawyer and judge, however, I have witnessed the proliferation of all this hocus-pocus to a point beyond the endurance of the ordinary man or woman who happens to be caught in the toils of a civil lawsuit. Thus it is that he dreads the very thought of courts and lawyers, and if something isn't done to reverse this process he will sooner or later find other ways and means of relief outside of the judicial system. So I have today requested the Judicial Council, with the aid of our administrative staff, to undertake without delay a thorough analysis of the processes by which civil lawsuits are begun, practiced and ended, for the purpose of seeking out and eliminating all sources of delay and expense that are not absolutely necessary to the achievement of justice and due process. Many, if not most, of the cases handled in district court are just as important to the parties involved as are those that are handled upstairs in the circuit court. Yet they are processed much more promptly, mainly because they have to be. I am not at all convinced that the additional time required to process the average case through circuit court results in that much more real justice. So we shall try to find out, to the end that the general public may have easier and cheaper access to the services of their own courts. And in this effort I intend also to broach the issue to the legal profession itself, which in my opinion bears a heavy share of responsibility, both for the existing situation and for its rectification.

The other major reason a civil lawsuit can't be handled as promptly as a flat tire is one that is universally overlooked. It is the simple truth that we don't have enough judges - never have had, never will have.

In *any* business, whatever it may be, prompt service depends on the availablity of enough people to wait on the customers. The existence of appointed commissioners in the circuit courts, for example, results from a historic unwillingness to provide enough judges to do the work. Other ways had to be found in order to shore up the deficiencies instead of meeting the problem directly. And in this, I submit to you, the losers have not been the judges, or the lawyers - the loser has been the public. The solution is directly analogous to the relationship between crime and the police. There never have been enough policemen, and I doubt that there ever will. But to the extent that there are *not*, we pay for it in the volume of crime we suffer. So it is with the courts. So long as we do not have enough judges - and I mean *good* judges, *qualified* judges - we will pay for it in the form of public dissatisfaction with the kind of service we get from the courts.

Court Facilities

Two years ago, and for some time thereafter, much friction existed between the Court of Justice and a number of county judge-executives and fiscal courts. Indeed one of our district judges had found it necessary to open his court in a tent. Today, happily, I can report to you that this no longer seems to be a serious problem. We have experienced a high degree of cooperation and understanding from the officers of the Kentucky Association of County Officials and of the county Judge-Executives Association. We now approach our problems together, with mutual respect and confidence that reasonable men and women can work out their differences without hostility.

One of the circumstances that brought about this healing of wounds was a fine piece of legislation enacted by the 1978 General Assembly, the court facilities bill, under which the various counties and cities are paid rent and maintenance costs for the space in their buildings that is occupied by the courts. Here again, however, the evil current of inflation has eroded our banks. We had thought that a return of 4% on capital invested in public buildings would be a sufficient contribution to encourage the construction of new and expanded facilities, but the cost of borrowing money today has far outstripped that prospect. In order, therefore, to revitalize it, and at the same time provide more fair a return to the local governments, an amendment to the court facilities act has been prepared and introduced as Senate Bill 104.

During the present biennium the amount budgeted for local facilities has been roughly $10 million. The additional amount required by Senate Bill 104 for the next biennium will be about $2 million. The main feature of this amendment is that it gives a measure of relief from prevailing interest rates to a local government that borrows money to provide more or better facilities for the courts. For more reasons than one, your continuing support of this wholesome program will be an investment of great and lasting value.

Pretrial Release

Four years ago the General Assembly enacted legislation abolishing the professional bail-bond system and establishing a pretrial release program to be administered through the courts. This was one of the greatest and most progressive improvements ever made by any legislative body in the field of criminal justice. It is the envy of every other state in the union. Many judges and legislators from other states have made inquiries and have visited this state to observe and learn about our pretrial release system. In recognition of its success, and of Kentucky's enlightened leadership in the field of bail reform, the National Symposium on Pretrial Services was held in Louisville last year. Other states are now in the process of instituting similar programs. In administering our own, we have been fortunate in having a group of capable, dedicated people to do the job. In fiscal year 1979 they interviewed nearly 105,000 persons, about 60% of whom were released without the posting of oppressive bonds. Less than 5% of those released without bond have jumped bail. Our pretrial people also have handled other responsibilities, such as preparing warrants in some counties and carrying out pretrial mediation programs. We do not have the time, on this particular occasion, to elaborate on the excellence of this program and the performance of our pretrial personnel, but you may rest assured that your work in 1976 was not in vain. The pretrial release program is a shining success, of which you have every right to be proud.

Continuing Education for the Judiciary and Clerks

During the past two years an intensive effort has been made to upgrade the quality of performance of our judges and clerks. 108 judges have attended out-of-state schools and nearly all of the judges have attended annually one or more in-state educational sessions arranged by the Administrative Office of the Courts. Eleven circuit clerks have attended out-of-state schools and nearly all personnel of the circuit clerks have attended training sessions conducted by the Administrative Office of the courts in the course of the past two years. In addition, there has been a total attendance of 933 clerks and judges at regional meetings designed to improve their performance. We have had remarkable interest and cooperation on the part of all these clerks and judges, reflecting a wholesome desire to do a better job for the people they serve.

Judicial Compensation

Once more I am compelled to bring up the nasty subject of inflation. To use one illustration, in 1976 the annual salary of circuit judges was fixed at $35,000. They were satisfied with that figure. But in 1979 the purchasing power of that salary had been reduced to $26,205. For 1980 it will have been reduced to $21,490. Turned around the other way, it would require a salary of $48,510 in 1980 to equal the purchasing power of $35,000 in 1976. A similar crunch exists for all of the judiciary up and down the line. I know you are aware of the problem, but I cite these figures because there may be some of you who do not realize just *how* bad it is. I won't bore you with more details. You have had placed on your desks today a summary of pertinent salary information that I believe will be of great interest to you. I ask you to look it over carefully and give us a fair shake.

One salary bill has already been placed before both Houses, and another will be introduced very shortly. They both approach the problem in terms of cost-of-living increases, with one difference. As I have mentioned earlier, the salary originally recommended for district judges was $33,000. That figure was scuttled in favor of $27,500, which placed the district judges $7,500 below circuit judges, whereas the salary spread between all other levels of the judiciary is $2,000. The bill that has been introduced reduces this separation to $5,000 by raising the base pay of district judges to $30,000 effective January 1, 1982, when the next term of office begins. The other bill, which has not yet been introduced, would raise the base pay of district judges to $33,000 effective for the term of office beginning in 1982. Under each of the respective proposals the base figure would be adjusted upward to compensate for the increased cost-of-living experienced since 1976.

If we are to have an efficient and effective judiciary, we simply *must* have good morale. That is true, of course, for any organization of people. I know that some of you have not been, and may not now be, sympathetic to the desire of the district judges to have this difference between their salary and that of the circuit judges placed on a parity with the existing scale of differences separating the other levels of the judiciary. I only ask you now to hear me out. Let me plead the case for the district judges.

In the first place, the $27,500 salary was always too low, regardless of its comparative relationship to the salary of circuit judges. Already we have lost 11 district judges, at least six of them for financial reasons. On several of those occasions we have been able to find only one person willing to apply for the job. Without financial relief there is no question that we will lose a good many more, and that right soon. Worse still, when election time rolls around next year I am afraid that in many districts there will be no candidates, and if no one is willing to run it follows that neither would anybody accept an appointment to fill the vacancy. In other districts only the most poorly qualified will be available. What this means, in plainer terms, is that just as it would be constitutionally impermissible to eliminate an office by failure to provide any compensation for it, so would it violate the constitution to destroy a judicial office by means of financial starvation. The present salary of district judges simply does not meet the express constitutional mandate that they be given adequate compensation.

With respect to the $7,500 spread between the salaries of district and circuit judges, it is true of course that district judges need not possess (though nearly all of them actually *do*) quite the same qualifications required of circuit judges. On the other hand, their job is infinitely more onerous. For one thing, they must run for office every four years, while the term of a circuit judge is eight years. They hold hearings and trials every day, and deal with the most distasteful kinds of cases. They are called upon at all hours of the day and night to issue warrants and to advise police authorities on the necessity of warrants. More people pass through their courts than pass through any other courts in the Commonwealth. Public opinion of the judicial system as a whole depends more on their performance than it does on the rest of the judges put together, simply because more people are affected by their judgments. Frankly, I am not at all sure that there should be any difference at all between their salary and that of the circuit judges. Though they need not have the same qualifications, it is they who must endure the drudgery, and theirs is the more difficult job.

We have seen now for two years what kind of a job they have done. No man or woman, or any set of men and women, is perfect. In a rare few instances a district judge has been something of a disappointment, but on the whole this group of district judges has brought to the people of Kentucky a degree of even-handed justice that has never existed before, in this or any other state. It is through the sheer force of their excellent performance, under critical public scrutiny, that some who yesterday were attempting to promote a constitutional amendment to abolish the district court have turned their attention to the Ayatollah Khomeini instead. In short, every indication of which I am aware is that the public in general much prefers this kind of court to what we had before.

You all know how difficult it has always been to persuade the voters of Kentucky to adopt a constitutional amendment affecting the machinery of their government. The 1975 Judicial Amendment was a historic milestone. In 1979 the people adopted another amendment, releasing the General Assembly from restrictions which had limited its freedom and authority since 1891. Though I cannot prove it with documentary evidence, I strongly believe that the satisfactory results of the Judicial Amendment broke the ice for the 1979 amendment which set the General Assembly free. Look at it this way: if the district court has proved to be a shambles, do you really think the people would have adopted another amendment last year? I seriously doubt it. Let me say it again - these men and women who have run the district court for the past two years have really put their shoulders to the wheel for *all* of us. They have done a magnificent job, and I for one am proud of them.

I do not want to see them demeaned any longer. So long as they are, we will have growing dissatisfaction and friction within the judicial system, and it will not perform as well as it ought to run. The issue will come up again and again until the source of the problem is finally eliminated. Let us, instead, do it now.

Also trapped in the crunch of inflation are those judges who have retired. That they be given relief is of equal importance with what must be done for judges still in active service. The average pension drawn by retired judges today is 75% of their average salary for the last five years of their service. And that five-year period for every one of them was a period in which the dollar was worth a great deal more than it is worth today. The average judge who retired 10 years ago is now drawing only 32 ½% of current salary. The average widow's pension is but 13 ½% of present salary. An Act designed to effect a modest adjustment for the protection of these people has been prepared and will be introduced for your consideration, and an information sheet explaining it has been placed on your desks today. Please, I beg of you, read it carefully. Do not let those who served us faithfully in the past, and are now powerless and without political influence, be washed down the drain.

The Judicial Budget

We fully appreciate the position in which the members of the General Assembly find themselves in attempting to finance the operations of government with dollars cheapening by the moment and constitutents who want the same services at the old prices. Mindful of this, we have sought to achieve economies wherever possible. For example, with the cooperation of the Court of Appeals the clerk of that court has been appointed as clerk of the Supreme Court also, eliminating a salary of $22,000. Likewise, the separate administrative office of the Court of Appeals has been brought under the Administrative Office of the Courts, eliminating another major salary of $32,000. All merit increases for the personnel of the courts have been suspended since November 1979. Though our proposed budget was submitted to your A & R Committee some time ago, I have instructed our Administrative Director to continue analyzing and refining it to cut it down wherever possible. Even so, substantial increases over the budget for the current biennium are inevitable.

In his recent address to the General Assembly the Governor spoke of priorities. I, too, would like to invite your attention to priorities. We have learned from life that these three essentials of human survival - and they are *essentials*, not *priorities* - are food, clothing and shelter. So, too, for the survival of a democratic government there are three essentials, and again they are not to be confused with optional priorities: They are the legislative, executive, and judicial branches of government. Each of these must be financially supported to the point that it is able to function effectively. This is fundamental, and this necessity should not be viewed in the context of other programs and priorities. It is not, or at least ought not be regarded as, a matter of choice.

There is a bare minimum without which you, the legislative branch, cannot function successfully. There is a bare minimum without which we, the judicial branch, cannot function effectively. And there is a bare minimum without which the executive branch cannot function properly, but in the history of this state the power of the executive has been such that it has never before become necessary to consider the existence of such a minimum. It was buried alive generations ago. Within the vast amount of money expended through the executive branch of government there are, of course, countless programs that must be assessed in terms of priority, but let us not permit the basic necessities of government, including yours and ours, to be thrown into the pot and sifted along with these optional programs, however important and desirable they may be. You are anxious to preserve the degree of independence for which you have long fought and have now achieved. We are anxious to preserve ours as well. Do not let either be frittered away by confusion as to what comes first.

Conclusion

In my first address to the General Assembly, two years ago this day, I expressed the hope for a new day in the relationship between the members of our respective branches of government. That hope, I think, has become a reality. Most of you know that the door to my office is open and that there you will be welcome and be given any information and assistance I have at my disposal. Aside from those few matters that are necessarily of a confidential nature there is no information in our offices that you cannot have if you let us know you want it. Neither I as Chief Justice nor the other members of the court feel that our dealings with the legislative representatives of our own people should be conducted in the style of a poker game or in the atmosphere of a Damascan marketplace. We choose, rather, to play our cards face up, with implicit confidence that you will respect our credibility and give reasonable weight to our advice and judgment.

I trust that you will grant me the indulgence of closing on something of a personal note. As a member of the judiciary I will, of course, benefit personally from whatever is done to relieve the financial condition of the judges. I hope that none of you will think or suspect that the remarks I have made today have been motivated to any extent by personal considerations. As I said earlier, I have been in public life for more than 40 years, excepted for two periods of active duty in the United States Navy. I have been elected to public office seven times. I have served as a city prosecuting attorney, city attorney for two different cities, Commonwealth's Attorney, and 20 years as a member of the highest court of the state. For all of this I have a deep sense of gratitude, of obligation, to the people who have been so good to me, and have given me their trust and confidence. I find the office of Chief Justice distasteful in many aspects. It really isn't my "thing." But I see in it the chance to give back a little of what has been given to me through the years. I want to make the greatest contribution within my limited ability to the development of a judicial system that will be a source of satisfaction and pride to the people of this state - no more and no less. We already have a good system, perhaps indeed the best in the country. But we still have a long voyage before the ship is home. It will be an exciting journey. Come with me!

Representative B. Richardson moved that the Joint Session of the House and Senate be dissolved. Agreed.

The Speaker resumed the Chair.

Introduction of Bills and Resolutions

HB 352, by Representative Pearman: AN ACT relating to elections.

HB 353, by Representative Pearman: AN ACT relating to elections.

HB 354, by Representatives Tobin, Craddock, Adams, Barrows, Bendl, Blair, Blythe, Bronger, Cawood, Davenport, DeMarcus, Deskins, Farrow, Freibert, Fryman, Hines, Johnson, Kidd, Layman, List, Little, Lundergan, May, McKinney, McNutt, Moberly, Morris, Pearman, Plummer, Priddy, Rapier, Reynolds, Robinson, Romines, Smith, Stumbo, Turner, Williams, and Wright: AN ACT proposing to amend Sections 30 and 31 of the Constitution of Kentucky relating to the term of office of Senators and Representatives.

HB 355, by Representative Clarke: AN ACT relating to state property.

HB 356, by Representative De Falaise: AN ACT relating to child custody.

HB 357, by Representatives McNutt and Tobin: AN ACT relating to crimes and punishments.

HB 358, by Representatives Priddy, Holloway, Romines, and Yates: AN ACT relating to pension system contributions.

HB 359, by Representatives Priddy, Holloway, Romines, and Yates: AN ACT relating to county police.

HB 360, by Representatives Priddy, Holloway, Romines, and Yates: AN ACT relating to county police merit boards.

HB 361, by Representatives Priddy, Holloway, Romines, and Yates: AN ACT relating to county police.

HB 362, by Representatives Priddy, Holloway, Romines, and Yates: AN ACT relating to certification of emergency medical technicians.

HB 363, by Representative Adams: AN ACT relating to legislative program review and investigations.

HB 364, by Representatives Donnermeyer, Heleringer, Nett, DeFalaise, Petty, Wright, Clark, Johnson, Lewis, Boswell, Haering, Yates, Turner, Fryman, and Mann: AN ACT relating to abortion.

HB 365, by Representatives Heleringer, Lewis, and Stumbo: AN ACT relating to the sale and merchantability of motor vehicles.

HB 366, by Representative Yates: AN ACT relating to civil liability for emergency care.

HB 367, by Representative Cyrus, Gray, Priddy, and Van Horn: AN ACT relating to railroads.

HR 38, by Representatives Haering, Burnette, Wright, McBee, Freibert, O'Brien, and Yates: A RESOLUTION to support President Jimmy Carter in dealing with the numerous international conflicts presently confronting the United States.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 342, HB 343, HB 351.**

Banking and Insurance: **HB 339, SB 32.**

Business Organizations and Professions: **HB 344.**

Counties and Special Districts: **HB 341, SB 13.**

Elections and Constitutional Amendments: **HB 340, HB 345, HB 348, HB 350.**

Health and Welfare: **HB 338.**

Labor and Industry: **HB 349.**

Natural Resources and Environment: **HB 347, HR 37.**

State government: **HB 275.**

Transportation: **HB 346.**

Posting of Bills and Resolutions for Consideration.

The clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Appropriations and Revenue: **HB 310, HB 208.**

Judiciary: **HB 231, HB 259, HB 243.**

Transportation: **HB 47, HB 120, HB 103, HB 148, HB 206, HCR 26, HB 149, HB 217.**

Report of Committees

The committee on Counties and Special Districts reported **HB 111,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 111, AN ACT relating to special districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Unless otherwise provided by state law, an appointed member of the governing body of a special district may be removed from office by the appointing authority after a hearing with notice as required by KRS Chapter 424 for inefficiency, neglect of duty, malfeasance or conflict of interest. The hearing shall be

initiated by the appointing authority, and the member to be removed shall be notified by registered mail sent to his last known address at least ten (10) days prior to the hearing.

(2) Where the removal of an appointed member of a special district governing body is by the county judge/executive pursuant to subsection (1) of this section, the removal shall be subject to the approval of the fiscal court.

Section 2. KRS 65.040 is amended to read as follows:

(1) Upon approval of the fiscal courts of the counties involved, two or more counties may join together to form a special purpose district to fulfill any purpose which any individual county is presently authorized to fulfill or may be authorized to fulfill in the future.

(2) The membership of the governing body of such multi-county special purpose districts shall be apportioned among the counties in ratio to their population, with each county having at least one member.

(3) Members of the governing body of multi-county special purpose districts may be removed from office as provided by Section 1 of this Act.

Section 3. KRS 65.050 is amended to read as follows:

(1) Any special purpose district may be expanded to include additional counties within its jurisdiction for performing the function for which it was organized.

(2) Before a county may participate in a multi-county special purpose district, the fiscal court shall determine that participation is feasible and necessary. The determination shall be made only after a duly advertised public hearing has been held by the fiscal court.

(3) When a county is added to a multi-county special purpose district, it shall be given representation on the governing body of the district in the same manner as the other counties within the district.

(4) Members of the governing body of multi-county special purpose districts may be removed from office as provided by Section 1 of this Act.

Section 4. KRS 74.020 is amended to read as follows:

(1) A water district shall be administered by a board of commissioners which shall control and manage the affairs of the district. The term of each commissioner is four (4) years, except as provided in this section:

(a) If a district lies wholly within a single county, or operates as a single county district as provided in paragraph (c) of this subsection, the board of commissioners shall consist of three (3) residents of the district, or of any incorporated or unincorporated area served by the district in the county in which the district was originally established, who shall be appointed by the county judge/executive with the approval of the fiscal court. Initial appointments shall be for terms of two (2), three (3) and four (4) years, as designated by the court. Commissioners serving under appointments June 16, 1966 shall continue to serve until the end of their respective terms.

(b) Except as provided in paragraph (c) of this subsection, if a district formed in a single county extends its area to include territory in an adjacent county as provided by KRS 74.115, the board of commissioners shall be appointed by the county judges/executive with the approval of the fiscal courts of the concerned counties as follows: in two (2) county districts, three (3) members from the original district and two (2) members from the extended portion of the district; for extensions into three (3) or more counties, the respective county judges/executive, with the approval of the fiscal courts, shall appoint, in addition to the existing membership of the commission, two (2) members from the original one-county district and two (2) members from the newly extended portion of the district. Orders establishing the extension shall provide for the staggering of initial terms in an equitable manner.

(c) If a single county district administered as provided in paragraph (a) hereof shall acquire an existing water or gas distribution system serving an area which extends beyond the boundaries of the district into another county, or if a district formed in a single county extends its area to include territory in an adjacent county as provided by KRS 74.115, it may operate the distribution system so acquired, or extended, provided the area served outside the county shall be deemed to be a minor portion of the total area served by the district, and provided the fiscal court of the county containing such minor portion of the total area shall have agreed to the acquisition or to the extension of the distribution system. If less than twenty-five percent (25%) of the total assets of the distribution system are located within the county outside of the boundaries of the district, it will be conclusively presumed that said district comes within the terms of this subsection.

(2) *A commissioner may be removed from office as provided by Section 1 of this Act.*

(3) Vacancies shall be filled by the same appointing authority which is empowered to make the original appointment. Vacancies resulting from cause other than expiration of the term shall be filled for the unexpired term only.

(4)[(3)] The commission shall elect a chairman, secretary and treasurer. Each commissioner shall execute a bond, approved by the county judge/executive, conditioned on the faithful performance of the duties of his position.

(5)[(4)] Each commissioner shall receive an annual salary of not more than thirty-six hundred dollars ($3600), which shall be paid out of the water district fund. In the case of single-county districts, which shall be deemed to include districts described in paragraph (c) of subsection (1) of this section, the salary shall

be fixed by the county judge/executive with the approval of the fiscal court; in multi-county districts it shall be fixed by the agreement between the county judge/executive with the approval of their fiscal courts. In fixing and approving the salary of the commissioners, the county judge/executive and the fiscal court shall take into consideration the financial condition of the district, and its ability to meet its obligations as they mature.

Section 5. KRS 75.031 is amended to read as follows:

(1) *(a)* Upon creation of a fire protection district or a volunteer fire department district as provided in KRS 75.010, the affairs of the district shall be conducted by the board of trustees consisting of seven (7) members, four (4) to be elected by the members of the district as hereinafter set out and three (3) to be appointed by the county judge/executive. Two (2) members of the board of trustees shall be elected by the members of the volunteer fire fighters of the district and shall be members thereof. Two (2) members of the board of trustees shall be property owners who own and reside in the property in the district who are not active volunteer fire fighters and shall be elected by such property owners. The county judge/executive of the county in which the greater part of the district is located shall, *with the approval of the fiscal court,* appoint three (3) members of the board of trustees. In counties containing a city of the first class trustees appointed by the county judge/executive to serve in volunteer fire prevention districts shall reside within the boundaries of that county. At the first election held after the district is formed, one (1) volunteer fire fighter shall be elected to serve on the board of trustees for a period of one (1) year and one (1) for a period of three (3) years and one (1) nonvolunteer fire fighter property owner shall be elected to serve on the board of trustees for a period of two (2) years and one (1) for a period of four (4) years. On the expiration of the respective terms the successor to each shall have the same qualifications as his predecessor and shall be elected for a term of four (4) years. In the event of a vacancy in the term of an elected trustee, the remaining elected trustees shall elect a trustee to fill the vacancy for the balance of the term. The original appointed members of the board of trustees shall be appointed for terms of one (1), two (2), and three (3) years respectively. On the expiration of the respective terms the successors to each shall be appointed for a term of three (3) years. In the event of a vacancy in the term of an appointed trustee, the county judge/executive shall appoint a trustee for the remainder of the term.

(b) An appointed trustee may be removed from office as provided by Section 1 of this Act.

(2) The elective offices of members of the board of trustees shall be filled by an election to be held once each year on a date determined by the department. The polls shall be located at the principal fire house in the district. The date, time and place of the election shall be advertised in accordance with KRS 424.120. This notice shall be advertised at least thirty (30) days prior to the election date and shall include the names and addresses of the candidates to be voted on for each position of trustee. The nominations for candidates for trustees both representing the fire fighters and the property owners residing in the district shall be made in accordance with the bylaws of the department. The terms of the three (3) trustees appointed by the county judge/executive shall start at the same time as the terms of the elected trustees. On or before the beginning of the second fiscal or calendar year, depending on which basis the fire protection or volunteer fire department district is being operated, after June 16, 1966 all departments organized prior to June 16, 1966 shall increase their boards of trustees from three (3) to seven (7) members and elect the elective members in the manner set forth herein.

(3) Such trustees shall elect from their number a chairman, a secretary and a treasurer, the latter of whom shall give bond in such amount as shall be determined by the county judge/executive of the county in which the greater part of the fire protection district is located, conditioned upon the faithful discharge of the duties of his office, and the faithful accounting for all funds which may come into his possession as such treasurer. The premiums on such bonds shall be paid out of the funds of the district.

Section 6. KRS 76.315 is amended to read as follows:

(1) If the county judge/executive orders such district established, the county judge/executive shall, *with the approval of the fiscal court,* appoint three (3) commissioners, from among the residents of the sewer construction district. One (1) of the commissioners shall be appointed for a term of two (2) years, one for a term of three (3) years and one (1) for a term of four (4) years from the date of first appointment. Upon expiration of the term of office of each of these commissioners, the county judge/executive shall, *with the approval of the fiscal court,* appoint a commissioner to succeed him, to serve for a term of four (4) years. The commissioners shall elect a chairman, a secretary and a treasurer.

(2) A commissioner may be removed from office as provided by Section 1 of this Act.

Section 7. KRS 83.345 is amended to read as follows:

(1) The commission established pursuant to subsection (2) of KRS 83.340 shall be composed of seven (7) members to be appointed, *jointly,* by the mayor of the largest city in the county and the county judge/executive[, jointly,] in the following manner:

(a) Two (2) commissioners from a list submitted by the local city hotel and motel association.

(b) One (1) commissioner from a list submitted by the local county hotel and motel association, provided that if only one (1) local hotel and motel association exists which covers both the city and county, then three (3) commissioners shall be appointed from a list submitted by it.

(c) One (1) commissioner from a list submitted by the local restaurant association or associations.

(d) One (1) commissioner from a list submitted by the chamber of commerce of the largest city in the county.

(e) One (1) commissioner by the mayor of the largest city in the county.

(f) One (1) commissioner by the county judge/executive.

(2) Vacancies shall be filled in the same manner that original appointments are made.

(3) The commissioners shall be appointed for terms of three (3) years, provided, that in making the initial appointments, the mayor and county judge/executive shall appoint two (2) commissioners for a term of three (3) years, two (2) commissioners for a term of four (4) years and three (3) commissioners for a term of one (1) year.

(4) The commission shall elect from its membership a chairman and a treasurer, and may employ such personnel and make such contracts as are necessary to effectively carry out the purpose of KRS 83.340 to 83.350. Such contracts may include but shall not be limited to the procurement of promotional services, advertising services and other services and materials relating to the promotion of tourist and convention business; Provided, contracts of the type enumerated shall be made only with persons, organizations, and firms with experience and qualifications for providing promotional services and materials such as advertising firms, chambers of commerce, publishers and printers.

(5) The books of the commission shall be audited by an independent auditor who shall make a report to the commission, to the organizations submitting names from which commission members are selected, and to the mayor and the county judge/executive.

(6) A commissioner may be removed from office, jointly, by the mayor and the county judge/executive, as provided by Section 1 of this Act. Removals pursuant to this subsection shall not require fiscal court approval.

Section 8. KRS 83.346 is amended to read as follows:

(1) The commission established pursuant to subsection (1) of KRS 83.340 shall be composed of nine (9) members to be appointed by the mayor of the largest city in the county, the county judge/executive and the governor of the Commonwealth.

(2) The mayor of the largest city in the county shall appoint three (3) commissioners in the following manner:

(a) One (1) commissioner from a list submitted by the local city hotel and motel association.

(b) One (1) commissioner from a list submitted by the chamber of commerce of the largest city in the county.

(c) One (1) commissioner from a list submitted by the local restaurant association or associations.

(3) The county judge/executive shall, *with the approval of the fiscal court,* appoint three (3) commissioners in the following manner:

(a) One (1) commissioner from a list submitted by the local county hotel and motel association, provided that if only one (1) local hotel and motel association exists which covers both the city and county, then the local hotel and motel association shall submit a list to the county judge/executive.

(b) Two (2) commissioners shall be appointed who are residents of the county and who have an active interest in the convention and tourist industry.

(4) The governor shall appoint three (3) commissioners in the following manner:

(a) One (1) commissioner from a list submitted by the state fair board.

(b) One (1) commissioner from a list submitted by the Louisville and Jefferson County air board.

(c) One (1) commissioner shall be appointed who is a resident of the county.

(5) Vacancies shall be filled in the manner that original appointments are made.

(6) When a list as provided in parts (2) and (3) of this section, contains less than three (3) names or when a selection from such list is not made, the appointing authority shall request in writing the submission of a new list of names.

(7) The commissioners shall be appointed for a term of three (3) years, provided that in making the initial appointments, the mayor, county judge/executive and governor of the Commonwealth shall each appoint one (1) commissioner for a term of one year, one (1) commissioner for a term of two(2) years, and one (1) commissioner for a term of three (3) years.

(8) The commission shall elect from its membership a chairman and a treasurer, and may employ such personnel and make such contracts as are necessary to effectively carry out the purposes of KRS 83.340 to 83.350. Such contracts may include but shall not be limited to the procurement of promotional services, advertising services and other services and materials relating to the promotion of tourist and convention business; provided, contracts of the type enumerated shall be made only with persons, organizations, and firms with experience and qualifications for providing promotional services and materials such as advertising firms, chambers of commerce, publishers and printers.

(9) The books of the commission shall be audited by an independent auditor who shall make a report to the commission, to the organizations submitting names from which commission members are selected, and to the mayor, the county judge/executive and the governor of the Commonwealth.

(10) *Commission members appointed by the governor shall serve at the pleasure of the governor. Commission members appointed by the mayor or the county judge/executive may be removed as provided by Section 1 of this Act* [Any member of the commission may be removable, at will without cause by the authority making such appointment].

Section 9. KRS 83.347 is amended to read as follows:

(1) The commission established pursuant to subsection (3) of KRS 83.340 shall be composed of six (6) members from each county to be appointed by the county judge/executive, *with the approval of the fiscal court,* one of whom shall be a member of the general assembly in whose district the county or part of the county is located in the following manner:

(a) One (1) commissioner from a list of at least three (3) persons submitted by the local restaurant association or associations;

(b) One (1) commissioner from a list of at least three (3) persons submitted by the local chamber of commerce;

(c) One (1) commissioner by the county judge/executive; and

(d) Two (2) commissioners from a list of at least six (6) persons submitted by the local hotel and motel association or associations.

(2) Vacancies shall be filled in the same manner that original appointments are made.

(3) The commissioners shall be appointed for terms of three (3) years, provided that in making the initial appointments, the county judge/executive shall appoint two (2) commissioners for a term of three (3) years, two (2) commissioners for a term of two (2) years, and two (2) commissioners for a term of one (1) year.

(4) The commission shall elect from its membership a chairman and a treasurer, and may employ such personnel and make such contracts as are necessary to effectively carry out the purpose of KRS 83.340 to 83.350. Such contracts may include but shall not be limited to the procurement of promotional services, advertising services and other services and materials relating to the promotion of tourist and convention business; Provided, contracts of the type enumerated shall be made only with persons, organizations, and firms with experience and qualifications for providing promotional services and materials such as advertising firms, chambers of commerce, publishers and printers.

(5) The books of the commission shall be audited by an independent auditor who shall make a report to the commission, to the organizations submitting names from which commission members are selected, and to the county judge/executive of each county.

(6) A commissioner may be removed from office as provided by Section 1 of this Act.

Section 10. KRS 104.580 is amended to read as follows:

(1) Within thirty (30) days after the commissioner certifies to the county clerk of each county in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of five (5) members, which shall control and manage the affairs of the district. If all or part of a first, second or third-class city lies within the district the mayor of such city shall appoint three (3) members of the board of directors, and the county judge/executive shall appoint two (2) members, or if the district lies within two (2) counties each county judge/executive shall appoint one (1) member, or if the district lies within more than two (2) counties the county judge/executive of each of two (2) of the counties, in rotation as determined by lot, shall appoint one (1) member. If all or part of two (2) cities of the first, second or third class lies within the district the mayor of each city shall each appoint two (2) members of the board of directors, and the fifth member shall be appointed by the county judge/executive of the county in which the major portion of the district lies. If all or part of more than two (2) cities of the first, second or third class lies within the district the mayor of each city shall appoint one (1) member of the board and one (1) additional member shall be appointed by each mayor of the city or cities containing most of the district to make the full number of five (5) directors. If no first, second, or third-class city, or part thereof, lies within the district, the county judge/executive shall appoint all five (5) members, or if the district lies in two (2) counties, the county judge/executive of the county in which the major portion of the district is located shall appoint three (3) members and the county judge/executive of the other county shall appoint two (2) members, or if the district lies in more than two (2) counties the county judge/executive of each county shall appoint one (1) member and one (1) additional member shall be appointed by each county judge/executive of the county or counties containing most of the district to make the full number of five (5) directors. No director shall in any way be associated or connected with the ownership, operation or control of any privately-owned public utility operating within the district. Two (2) of the members of the first board of directors shall hold their offices for one (1) year, and the others shall hold their offices for two (2), three (3) and four (4) years, respectively, from the dates of their appointments, the length of the term of office of each member to be determined by lot at their first meeting. After the expiration of the respective terms of office of the members of the first board of directors, each director shall be appointed and shall serve for a period of four (4) years and until his successor has been appointed and has qualified. Vacancies resulting from any cause other than expiration of a term of office shall be filled only for the unexpired term and until a successor has been appointed and has qualified. The directors shall at all times be

residents and real estate owners within the district, and the office of any director who moves his residence outside the district or who ceases to be a real estate owner within the district shall automatically be vacated.

(2) (a) All appointments by a county judge/executive pursuant to this section shall be with the approval of the fiscal court.

(b) A member of the board of directors may be removed from office as provided by Section 1 of this Act.

Section 11. KRS 107.340 is amended to read as follows:

(1) A district shall be administered by a board of commissioners (the "board"), which shall control and manage the affairs of the district. The term of each commissioner shall be four (4) years except as herein specified. The board shall consist of four (4) members who shall be appointed by the county judge/executive with the approval of the fiscal court. Initial appointments shall be for terms of one (1), two (2), three (3) and four (4) years as designated by the county judge/executive. Thereafter, as the term of each member expires, his successor shall be appointed for a term of four (4) years. Not more than three-fourths (¾) of the persons appointed to membership on the board shall be members of the same political party, as determined, in the case of each person, by such person's registration record at the time of his or her appointment.

(2) The board shall elect its chairman from among its members and may appoint a secretary, an executive director, and other officials and employes who need not be members of the board. Members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties. A quorum for the transacting of the business of the board shall consist of three (3) members.

(3) A member of the board may be removed from office as provided by Section 1 of this Act.

Section 12. KRS 108.110 is amended to read as follows:

(1) The affairs of the district shall be controlled and managed by a board of directors appointed by *the county judge/executive with the approval of the* fiscal *court* [courts] and city legislative bodies in the following manner:

(a) If the district consists of one (1) county, three (3) members shall be appointed to the board by the *county judge/executive* [fiscal court] of the county;

(b) If the district consists of two (2) counties, the *county judge/executive* [fiscal court] of the county having the greater portion of the population of the district shall appoint two (2) directors and the *county judge/executive* [fiscal court] of the other county shall appoint the third director;

(c) If the district consists of more than two counties, the *county judge/executive* [fiscal court] of the county having the greatest portion of the population of the district shall appoint two (2) directors and the *county judge/executive* [fiscal court] of the remaining counties comprising the district shall each appoint one (1) director;

(d) The legislative body of each city of the first three classes, or if there is no such class of city, the city of the highest class located within each county in the district shall appoint one (1) additional director.

(2) Each board member shall reside within the district and within the county or city of which he was appointed to represent.

(3) The board of directors shall be appointed [by the appropriate legislative body] within thirty (30) days after the establishment of the district. [The terms of office of the directors first appointed shall expire on the first Monday in January of the even numbered year next following their appointment. Thereafter,] Directors shall be appointed for terms of two (2) years each, *except that initially the appointing authority shall appoint a minority of the board members for one (1) year terms. Subsequent terms shall all be for two (2) years* [expiring on the first Monday in January of the next even numbered year or until their successors are appointed]. Any vacancies shall be filled by the appointing authority for the unexpired term.

(4) A majority of the membership of the board shall constitute a quorum.

(5) A member of the board of directors may be removed from office as provided by Section 1 of this Act.

Section 13. KRS 108A.090 is amended to read as follows:

A new community district shall be managed by a board of commissioners, consisting of not less than five (5) members.

(1) The initial board shall be appointed by the governor of the state for such terms as are set forth in the petition. These commissioners need not be residents of the district. *Appointed commissioners shall serve at the pleasure of the governor.*

(2) As the term of each appointed commissioner expires, the office vacated shall be filled by a commissioner elected by the registered voters of the district or an appropriate subdivision of the district in accordance with the bylaws of the district and the general election laws of the state. Elected commissioners shall be residents of the district and other qualifications and the term of such commissioners may be prescribed by the bylaws.

Section 14. KRS 164.635 is amended to read as follows:

(1) Appointment of the six (6) members, other than the county judge/executive, to the extension board shall be made by the county judge/executive of the county in which the extension district is located. These

appointments shall be made, *with the approval of the fiscal court,* from nominations submitted by the extension council in the county in which said district is located. Said council, to be eligible to submit nominations, shall be organized and functioning in accordance with procedures approved by the director of extension.

(2) On or before November 1 of each year the extension council shall submit to the county judge/executive a list of two (2) nominees for each member to be appointed to the extension board. On or before December 1 of each year the county judge/executive shall from this list appoint the required board members. If for any reason the county judge/executive fails to appoint the required members by December 15 of the year in question, they may be appointed by the director of extension. On the first board two (2) members shall be appointed for terms of three (3) years, two (2) for terms of two (2) years and two (2) for terms of one (1) year. Thereafter, all appointments shall be for terms of three (3) years and shall become effective on the first of January following appointment. Each member shall serve until his successor is appointed and qualified. Appointment of members to fill vacancies shall be in the same manner as those for other members. Board members may be appointed and the first board organized immediately after June 14, 1962. In this case the period served in 1962 shall be in addition to the regular terms of the members which start on January 1, 1963. Each board member shall, by virtue of his membership on the board, become a member of the extension council. This membership on the extension council may be in addition to the maximum of forty (40) as listed in subsection (2) of KRS 164.625.

(3) A board member may be removed from office as provided by Section 1 of this Act.

Section 15. KRS 173.480 is amended to read as follows:

Upon the creation of a district, the fiscal court of each county in the district shall at once notify the department of libraries of the establishment of the district. The department of libraries shall then recommend to the county judge/executive of each county in the district the names of suitable persons from that county to be appointed to the board. The department of libraries in recommending persons to the county judge/executive for appointment to the board shall recommend twice as many persons for each county as the county is entitled to have members appointed, and the county judge/executive shall immediately, *with the approval of the fiscal court,* make his selection from those recommended. Where the district consists of one (1) county, the county judge/executive shall appoint five (5) persons from that county as members. The department of libraries shall prescribe by regulation the number of board members when the district consists of more than one (1) county, provided that the board shall consist of not less than one (1) nor more than four (4) members from each county, each county having such number of members as the proportion of its population bears to the total population in the district consists of more than one (1) county, provided that the board less than five (5) members. Where a county joins an already established district, the department of libraries shall recommend to the county judge/executive of each county included in the new district twice as many persons for appointment to the board as the county is entitled to have appointed, and the county judge/executive shall select the members for his county from this list. The terms of the members of the counties composing the previously existing district shall expire immediately upon the organization of the new board.

Section 16. KRS 173.490 is amended to read as follows:

(1) One-third (⅓) of the persons first appointed to the board shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and one-third (⅓) for a term of four (4) years. Where the board consists of a number of members not divisible by three (3), one-third (⅓) of the next higher number divisible by three (3), shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and the remaining number shall serve for a term of four (4) years. Thereafter, as their terms expire, their successors shall be recommended and appointed in the same manner, but for a term of four (4) years each. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves, effective July 1, 1974, exclusive of present terms begun prior to that date. The members shall hold office until their respective successors are appointed and qualified.

(2) Any vacancy occurring in the terms of office of members shall be filled for the unexpired term by the county judge/executive, *with the approval of the fiscal court,* by appointment on recommendation of the department of library and archives of two (2) names for each vacancy from the county in which the vacancy occurred.

(3) A member of the board may be removed from office as provided by Section 1 of this Act.

Section 17. KRS 173.725 is amended to read as follows:

Upon the creation of a district, the fiscal court of each county in the district shall at once notify the department of libraries of the establishment of the district. The department of libraries shall then recommend to the county judge/executive of each county in the district the names of suitable persons from that county to be appointed to the board. The department of libraries in recommending persons to the county judge/executive for appointment to the board shall recommend twice as many persons for each county as the county is entitled to have members appointed, and the county judge/executive shall, *with the approval of the fiscal court,* immediately make his selection from those recommended. Where the district consists of one (1) county, the county judge/executive shall appoint five (5) persons from that county as members. The department of libraries shall prescribe by regulation the number of board members when the district consists of more than one (1) county, provided that the board shall consist of not less than one (1) nor more than four (4) members from each county, each county having such number of members as the proportion of its population bears to the total population in the district, and that the total membership of the board consist of not less than five (5) members. Where a county joins an already established district, the department of libraries shall recommend to the county judge/executive of each county included in the new district twice as many persons for appointment to the board as the county is entitled to have appointed, and the county judge/executive shall select the members for his county from this list. The terms of the members of the counties composing the previously existing district shall expire immediately upon the organization of the new board.

Section 18. KRS 173.730 is amended to read as follows:

(1) One-third (⅓) of the persons first appointed to the board shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and one-third (⅓) for a term of four (4) years. Where the board consists of a number of members not divisible by three (3), one-third (⅓) of the next higher number divisible by three (3), shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and the remaining number shall serve for a term of four (4) years. Thereafter, as their terms expire, their successors shall be recommended and appointed in the same manner, but for a term of four (4) years each. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves, effective July 1, 1974, exclusive of present terms begun prior to that date. The members shall hold office until their respective successors are appointed and qualified.

(2) Any vacancy occurring in the terms of office of members shall be filled for the unexpired term by the county judge/executive, *with the approval of the fiscal court,* by appointment on recommendation of the department of library and archives of two (2) names for each vacancy from the county in which the vacancy occurred.

(3) A member of the board may be removed from office as provided by Section 1 of this Act.

Section 19. KRS 184.060 is amended to read as follows:

(1) In the event of a final decision of the county judge/executive ordering the creation of the road district, the county judge/executive shall enter an order declaring said district organized in the name provided for in KRS 184.030, by which name it shall thereafter be known. The county judge/executive shall thereupon appoint, *with the approval of the fiscal court,* three (3) persons as members of the road district board of directors, whose duty it shall be to control and manage the affairs of the district. Each director shall be at least twenty-five (25) years of age, shall be an owner of land abutting upon the road to be improved and shall have lived on such land for a period of at least six (6) months prior to his appointment. The members of the first board of directors shall hold their offices, respectively, for two (2), three (3) and four (4) years from the date of their appointment, and thereafter each director shall be appointed for a term of four (4) years. Vacancies resulting from any cause other than expiration of a term of office shall be filled by the county judge/executive and only for the unexpired term.

(2) A member of the board of directors may be removed from office as provided by Section 1 of this Act.

Section 20. KRS 212.020 is amended to read as follows:

(1) The secretary for human resources shall appoint three (3) intelligent and discreet licensed and practicing physicians and one (1) intelligent and discreet licensed and practicing dentist and one (1) discreet and practicing registered nurse residing in each county who, together with the county judge/executive and one (1) person appointed by the fiscal court in each county, shall constitute a local board of health for the respective counties in which they reside. In the event a county does not have three (3) qualified licensed and practicing physicians or one (1) qualified licensed and practicing dentist or one (1) qualified and licensed practicing registered nurse residing therein, the secretary for human resources may appoint a resident lay person in lieu thereof for each such vacancy. The members of the local board shall hold office for a term of two (2) years from the date of their appointment, and until their successors are appointed. The members of the board shall receive no compensation for their services.

(2) The secretary may remove any board member he appoints as provided by Section 1 of this Act. The fiscal court may remove its appointee in like fashion.

Section 21. KRS 216.323 is amended to read as follows:

(1) Where there is only one (1) participating county in the district, *the county judge/executive, with the approval of* the fiscal court of the participating county shall appoint five (5) members of the district board. Where there are two (2) or more counties participating in the district the board shall consist of at least one (1) but not more than four (4) persons from each participating county, the total membership of the board to consist of not less than (5) persons. Where a participating county in a district in which more than one (1) county is participating has a population of seventy-five thousand (75,000) or less, that county shall be allowed one (1) board member. Where a participating county in a district in which one (1) or more than one (1) county is participating has a population in excess of seventy-five thousand (75,000) the county

shall be allowed a board member for each forty thousand (40,000) or a portion thereof, of population in excess of seventy-five thousand (75,000) of population, but not to exceed four (4) members in all.

(2) Where, after each county in the district has appointed the number of board members that it is allowed to appoint, the board consists of fewer than five (5) members the secretary shall recommend a number of persons from the district at large suitable for appointment to the board equal to twice the difference between the number already appointed and five (5). The board members appointed by the *county judges/executive* [fiscal courts] shall elect to the membership on the board one-half (½) of those recommended by the secretary. The length of the term of no member shall be determined as required by KRS 216.325 until the full membership of the board has been appointed. The successors of the members from the district at large shall be appointed in the same manner as the original members from the district at large. Population shall be determined by the most recent decennial report of the United States census bureau.

(3) A member of the board may be removed from office as provided by Section 1 of this Act.

Section 22. KRS 262.240 is amended to read as follows:

(1) A supervisor's term begins on January 1 following his election. The two supervisors elected in the general election of 1974 shall be elected for a term of two years. In 1976 a general election shall be conducted for seven supervisors. The four (4) supervisors elected with the highest number of votes in the general election of 1976 shall serve for four (4) years; the other three (3) supervisors elected in 1976 shall serve for two (2) years. In the event only seven (7) nominating petitions for supervisors are filed, the commission shall declare the nominees elected without an election, and shall name four (4) of the nominees to serve terms of four (4) years, and three (3) to serve terms of two (2) years. Thereafter supervisors shall be elected for four (4) years as their terms expire. Nominating petitions for supervisors shall be filed with the county clerk not less than fifty-five (55) days prior to the day of the election. No such nominating petition shall be accepted by the clerk unless it is signed by twenty-five (25) or more qualified resident voters of the district. Qualified resident voters may sign more than one nominating petition to nominate more than one candidate for supervisor. In the event nominating petitions for only the number of supervisors to be elected are filed, the commission shall declare the nominees elected without holding an election.

(2) A supervisor shall hold office until his successor has been elected and has qualified. Vacancies shall be filled for the unexpired term by appointment by the commission.

(3) A supervisor may be reimbursed for expenses necessarily incurred in the discharge of his duties and may be paid a per diem for attending meetings or otherwise discharging the obligations of his office.

(4) A supervisor shall be a resident of the county or district in which he serves as a supervisor, and upon moving from the county or district, the supervisor shall be ineligible to serve as a supervisor and his office shall be vacant.

(5) *A supervisor who has been declared elected without an election pursuant to subsection (1) of this section may be removed from office by the commission in the same manner as provided by Section 1 of this Act for removal of an appointed member of the governing body of a special district* [Any supervisor may be removed by the commission upon notice and hearing for neglect of duty or malfeasance in office. A supervisor shall not be removed except pursuant to this subsection].

Section 23. KRS 262.740 is amended to read as follows:

(1) Within thirty (30) days after a watershed conservancy district is created, nominating petitions may be filed with the board of supervisors for the election of a board of directors consisting of five (5) members, who shall hold office for a term of four (4) years, or until a successor is qualified. Such board of directors shall, under the supervision of the board of supervisors, be the governing body of the watershed conservancy district. The board of supervisors shall give due notice of the election of directors and shall, as nearly as practicable, conduct the election in the manner prescribed by KRS 262.220.

(2) If the territory embraced within a watershed conservancy district lies within more than one soil and water conservation district, each of said additional districts with minority of the land involved in the watershed shall be entitled to elect three (3) additional directors.

(3) The board of directors shall annually elect from its membership a chairman, secretary, and treasurer. The treasurer shall execute an official bond for the faithful performance of the duties of his office to be approved by the board of directors. Such bond shall be executed with at least three (3) solvent personal sureties whose solvency must exceed the amount of the bond, or by a surety company authorized to do business in this state, and shall be in an amount determined by the board of directors. If the treasurer is required to execute a surety company bond, the premium on the bond shall be paid by the board of directors.

(4) Each person desiring to be a director of a watershed conservancy district shall file a nominating petition with the board of supervisors of the county in which he is a landowner and legal resident, signed by twenty-five (25) or more landowners within the watershed conservancy district of the county involved, or, if less than fifty (50) landowners are involved a majority of such landowners. Nominating petitions for the election of any director following the first election of members of the board after creation of the district shall be filed with the board of supervisors not less than forty-five (45) days prior to the day of the regular election. If the candidates nominated do not exceed the positions available, they shall be declared elected.

No person shall be eligible to be a director of a watershed conservancy district who is not a landowner within the watershed and resident of the county in which the watershed is located.

(5) A director who has been declared elected without an election pursuant to subsection (4) of this section may be removed from office by the board of supervisors as provided by Section 1 of this Act for removal of an appointed member of the governing body of a special district.

Section 24. KRS 266.100 is amended to read as follows:

(1) The county judge/executive shall, when he establishes a levee, and every four (4) years thereafter, appoint five (5) resident landowners of the vicinity of the levee to be known as the board of levee commissioners. The commissioners shall serve for a term of four (4) years and until their successors are appointed. The county judge/executive shall fill any vacancies in the board. *All appointments to the board shall be subject to the approval of the fiscal court.*

(2) *Members of the board of levee commissioners may be removed from office as provided by Section 1 of this Act.*

(3) When a multi-county levee district is established the board shall be appointed by the county judges/executive of the counties involved. Appointments shall be apportioned among the counties in ratio to the portion of the levee to be constructed within each county.

(4)[(3)] The board of levee commissioners is a body politic, with the status of a corporation, and in its corporate name may do everything authorized by law with reference to public levees.

The Committee Amendment to **HB 111** is as follows:

Amend printed copy of **HB 111,** page 1, line 3 through 17 as follows:

On page 1, by deleting all of lines 3 through 17, and inserting therefor the following:

"(1) Unless otherwise provided by state law, an appointed member of the governing body of a special district may be removed from office by the appointing authority after a hearing with notice as required by KRS Chapter 424 for inefficiency, neglect of duty, malfeasance or conflict of interest. The hearing shall be initiated and chaired by the appointing authority, who shall prepare a written statement setting forth the reasons for removal. The member to be removed shall be notified of his proposed removal and the reasons therefor by registered mail sent to his last known address at least ten (10) days prior to the hearing. The person to be removed may employ counsel to represent him. A record of the hearing shall be made by the appointing authority.

(2) Where the removal of an appointed member of a special district governing body is by the county judge/executive pursuant to subsection (1) of this section, the removal shall be subject to the approval of the fiscal court.

(3) A member removed pursuant to this section may appeal, within ten (10) days of the rendering of the decision or the approval of the fiscal court if required, to the circuit court of the county of the appointing authority. The scope of the appeal shall be limited to whether the appointing authority or the fiscal court abused their discretion in removing the member."

The Committee on Natural Resources and Environment reported **HB 177** and **HB 245** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 166, AN ACT relating to floods.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 151.550 is amended to read as follows:

(1) There is hereby created a community flood damage abatement program within the department for natural resources and environmental protection.

(2) It is hereby declared to be the purpose of the program to provide funds and technical assistance to local governments to initiate flood control projects and programs.

(3) This program shall be administered by the secretary according to standards designed to promote adequate planning, construction and conservation measures to deal with water drainage problems.

(4) Any local sponsoring community desiring to qualify for funding *shall* [, must]:

(a) Make application to the department which shall be in the form and manner prescribed by the department;

(b) Provide at no expense to the department, all lands and easements necessary for project construction;

(c) Agree to operate and maintain the project in a manner acceptable to the Commonwealth to insure the continued capacity of the project to prevent or minimize flood damages;

(d) Submit evidence of the history of flooding within the last five (5) years;

(e) Submit evidence of flood damage in dollars within the last five (5) years*;*

(f) Participate in the national flood insurance program.

(5) The department shall have and exercise the power and authority to annually inspect the completed project to insure compliance with any of the provisions of this section or with any rules, regulations or orders adopted pursuant thereto, or with any of the conditions contained in *subsections* [subsection] (4)(c) *and (4)(f)* of this section.

HB 245, AN ACT relating to historical preservation and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

(1) Administrative control of covered wooden bridges designated as state shrines shall be shared by the department of transportation, the department of parks and the authorities created under this Act.

(2) The department of transportation shall hold title to all covered bridges in the Commonwealth which are on public roads and open to vehicular traffic. The department shall maintain the bridges for safety and for historical and aesthetic beauty. The department shall prepare estimates of the cost of maintaining covered wooden bridges to which it holds title and shall identify and include the total of these estimates in its biennial budget request.

(3) The department may delegate its responsibility for maintenance of covered bridges located on roads maintained by a county to the local government responsible for such roads. Delegation of responsibility for maintenance of covered bridges to a local government shall require periodic inspection by the department.

(4) Nothing in this section shall prevent an appropriate unit of government from closing a covered wooden bridge to vehicular traffic.

(5) The department of parks shall hold title to all covered wooden bridges in the Commonwealth which are no longer open to vehicular traffic. The department shall maintain these bridges in sound structural condition and for historical and aesthetic beauty. The department shall prepare estimates of the cost of maintaining covered wooden bridges to which it holds title and shall identify and include the total of these estimates in its biennial budget request.

(6) When an appropriation is made to a covered wooden bridge authority created under the provisions of this Act, the department shall transfer the obligation of maintenance and title to the bridges designated in the appropriation to that authority.

(7) An authority may re-transfer the right of possession or title and the obligation of maintenance of covered bridges under its jurisdiction to the department of parks.

(8) The Kentucky heritage commission may determine that an authority is inactive or unable to discharge its responsibilities and may transfer the right of title or possession to covered bridges under the jurisdiction of the authority to the department of parks. The commission shall give notice of such an action to the authority and the department.

SECTION 2. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided by this Act, at the request of citizens or organizations of a county or multi-county region, the Kentucky heritage commission shall certify to the governor the creation of a county or multi-county covered wooden bridge authority for that county or multi-county region.

(2) An authority shall consist of five (5) members to be appointed by the governor. The members of an authority shall hold office for terms of four (4) years and until their successors are appointed and qualify except that the terms of office of the members first appointed shall be as follows: two (2) members shall be nominated and appointed for two (2) years, and three (3) members shall be nominated and appointed for four (4) years. An authority may elect by majority voice officers deemed necessary by its members. A majority of the members shall constitute a quorum. An authority shall meet at the call of its chairman, but at least twice during each calendar year.

(3) An authority shall be dedicated to the preservation, restoration and maintenance of all covered wooden bridges not open to vehicular traffic in the county or multi-county region for which it is created. The duties and functions of an authority shall be to:

(a) Review, recommend and administer projects and programs to insure the proper preservation, restoration and maintenance of covered wooden bridges in the county or multi-county region for which it is created.

(b) Advise, consult and cooperate with state, local and national officials and agencies, and with the Kentucky heritage commission as provided by this Act, to accomplish the purposes for which the authority is established.

(4) An authority may:

(a) Accept grants or other funds or property from any source, public or private;

(b) Enter into such contractual relationships as may be necessary;

(c) Acquire real property, by gift or devise or by purchase pursuant to the provisions of KRS 45.360, and hold the same in the name of the Commonwealth for the use and benefit of the authority;

(d) Adopt rules and regulations necessary to the performance of its duties and functions.

(5) Members of an authority may be reimbursed in accordance with the provisions of KRS Chapters 44 and 45 for actual and reasonable expenses incurred in the furtherance of the authority's activities.

(6) The receipt, control and expenditure of funds shall be subject to the general provisions of the Kentucky Revised Statutes governing financial administration of state agencies.

(7) Each authority shall develop a program for the preservation, restoration and maintenance of covered wooden bridges in the county or multi-county region for which it was established. It shall select the bridges to be preserved, restored or maintained within a biennium and shall prepare estimates of the cost of preservation, restoration or maintenance within that biennium.

(8) The program developed by an authority shall be submitted to the Kentucky heritage commission. Upon approval by the commission, the authority shall submit its program as its biennial budget request.

(9) When an appropriation is made to an authority to fund its program for the preservation, restoration and maintenance of covered wooden bridges, title to all covered wooden bridges to be preserved, restored or maintained under its authority shall be transferred to the authority. Preservation, restoration and maintenance of covered wooden bridges shall comply with the program approved by the commission and shall be administered by the authority. Each authority is authorized to enter into any agreement or contract necessary to implement an approved and funded program.

(10) There is established the covered wooden bridge authority for the counties of Bracken, Fleming, Lewis, Mason and Robertson as a pilot project.

Section 2. In order to fund the pilot project established by this Act, there is appropriated $50,000 from the General Fund to the covered wooden bridge authority for the counties of Bracken, Fleming, Lewis, Mason and Robertson to be allotted after approval of the program of the authority by the commission.

Section 3. KRS 148.163, Title To and Maintenance of Covered Wooden Bridges, and KRS 176.255, Administrative Control of Covered Wooden Bridges - Title - Maintenance, are repealed.

The Committee on Business Organizations and Professions reported **HB 131** and **HB 240,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 131, AN ACT relating to consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Vehicle" includes all agencies for the transportation of persons or property licensed to carry one ton or less over or upon the public highways of this Commonwealth and all vehicles passing over or upon said highways for personal, household, agricultural and family purposes.

(2) "Repair" of motor vehicles means all maintenance of and repairs to motor vehicles in excess of one hundred dollars ($100) performed by an automotive repair person.

(3) "Customer" means any person, or representative thereof, who is seeking to have performed, is having performed, or has had performed any service or repair work on a motor vehicle.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

It shall be an unfair, false, misleading, or deceptive act or practice within the meaning of KRS 367.170 for any automobile repair person to:

(1) Fail to provide to the customer, upon request by the customer when originally presenting the vehicle for repairs, a written estimate of the cost of the anticipated repairs, as well as a written statement noting the date on which such repairs are expected to be completed;

(2) Fail to obtain, upon request by the customer, an oral or written authorization from the customer for any additional necessary repairs when those repairs amount to twenty five dollars ($25) or more than the original estimate;

(3) Fail to tender to the customer, upon request by the customer when originally presenting the vehicle for repairs or at the time any estimate has been presented, any parts of the vehicle that have been replaced, unless:

(a) Such parts must be returned to the manufacturer as part of the warranty agreement; or

(b) Such parts are to be rebuilt or sold by the automotive repair person; or

(c) Such parts are used on an exchange basis, and such intended re-use is made known to the customer prior to performing repair work;

(4) Fail to provide printed forms to customers who want to indicate in writing their demand for the replaced parts as provided for pursuant to subsection (3) of this section;

(5) Fail to present to the customer after completion of the repair work an itemized description and cost of parts included, whether such parts were new, used, reconditioned, or rebuilt, as well as any and all labor costs charged for repair work;

(6) Fail to display in a conspicuous place within the area frequented by customers seeking repairs on motor vehicles, a sign not less than twenty-two (22) inches by twenty-eight (28) inches in size, setting forth in bold-face letters the following:

IF YOU REQUEST IT
AT THE TIME YOU FIRST BRING IN YOUR CAR
YOU ARE ENTITLED:

(1) To a written estimate
of all labor or parts to be
performed on your automobile,
and the estimate given to you
may not be exceeded by $25
without your permission.

(2) To have any replaced parts
returned to you and/or
evidence of exchange of
replaced parts. Ask for
proper forms.

KRS 367.______

SECTION 4. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

In order to investigate compliance with this Act, the attorney general may issue investigative demands and subpoenas as authorized by KRS 367.240 and 367.250.

SECTION 5. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Any person who violates any provision of this Act shall be subject to the penalties and remedies provided in KRS 367.190 to 367.300 and 367.990(1), (2), (3), and (4).

HB 240, AN ACT relating to motion picture distribution.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context requires otherwise:

(1) "Theatre" means any establishment in which motion pictures are exhibited to the public regularly for a charge.

(2) "Distributor" means any person engaged in the business of distributing or supplying motion pictures to exhibitors by rental, sale, or licensing.

(3) "Exhibitor" means any person engaged in the business of operating one or more theatres.

(4) "Exhibit" or "exhibition" means showing a motion picture to the public for a charge.

(5) "Invitation to bid" means a written or oral solicitation or invitation by a distributor to one or more exhibitors to bid for the right to exhibit a motion picture.

(6) "Bid" means a written offer or proposal by an exhibitor to a distributor in response to an invitation to bid for the right to exhibit a motion picture, stating the terms under which the exhibitor will agree to exhibit a motion picture.

(7) "License agreement" means any contract, agreement, understanding or condition between a distributor and an exhibitor relating to the licensing or exhibition of a motion picture by the exhibitor.

(8) "Trade screening" means the showing of a motion picture by a distributor at some location within the state which is open to any exhibitor from whom the distributor intends to solicit bids or with whom the distributor intends to negotiate for the right to exhibit the motion picture.

(9) "Blind bidding" means the bidding for, negotiating for, offering or agreeing to terms for the licensing or exhibition of a motion picture at any time before such motion picture has either been trade screened within the state or before such motion picture, at the option of the distributor, has been otherwise made available for viewing within the state by all exhibitors from whom the distributor is soliciting bids or with whom the distributor is negotiating for the right to exhibit such motion picture.

(10) "Run" means the continuous exhibition of a motion picture in a defined geographic area for a specified period of time. A "first run" is the first exhibition of a motion picture in the designated area; a "second run" is the second exhibition; and "subsequent runs" are subsequent exhibitions after the second run. "Exclusive run" is any run limited to a single theatre in a defined geographical area, and a "nonexclusive run" is any run in more than one theatre in a defined geographical area.

SECTION 2. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

(1) No distributor shall engage in blind bidding.

(2) No distributor shall condition the granting or execution of a license agreement on a guarantee of a minimum payment to the distributor, if the exhibitor is required by the license agreement to make any payment to the distributor that is based on the attendance or the box office receipts at a theatre at which the motion picture is exhibited.

(3) No distributor shall condition the granting or execution of a license agreement on the exhibitor's advancing, more than fourteen (14) days prior to his first exhibition of a motion picture, any money that is to be used as security for the exhibitor's performance of the license agreement or is to be applied to any payments that the exhibitor is required by the agreement to make to the distributor.

(4) Any provision of a license agreement that waives any of the prohibitions of, or fails to comply with, this section or Section 3 of this Act is void and unenforceable. Any license agreement that fails to comply with this section or Section 3 of this Act is voidable by the exhibitor, if the exhibitor gives the distributor written notice, prior to the exhibitor's first exhibition of the motion picture that is the subject of the agreement, of his intent to have the agreement voided.

SECTION 3. A NEW SECTION OF KRS 365 IS CREATED TO READ AS FOLLOWS:

(1) If bids are solicited from exhibitors for the purpose of entering into a license agreement, the invitation to bid shall specify:

(a) whether the run for which the bid is solicited is a first, second or subsequent run; whether the run is an exclusive or nonexclusive run; and the geographic area for the run;

(b) the names of all exhibitors who are being solicited;

(c) the date and hour the invitation to bid expires; and

(d) the time, date and the location, including the address, where the bids will be opened, which shall be within the state.

(2) If the motion picture that is the subject of a bid has not already been trade screened within this state, the distributor soliciting the bid shall include in the invitation to bid the date, time and location of the trade screening of the motion picture that is the subject of the invitation to bid.

(3) Every distributor shall furnish to all exhibitors in this state reasonable and uniform notice of all trade screenings that are held within this state of motion pictures that he is distributing.

(4) All bids shall be submitted to the distributor in written form. The distributor or his agent shall open all bids at the same time and in the presence of at least one (1) of the exhibitors, or the agent of an exhibitor, who has submitted a bid.

(5) Any exhibitor, or the agent of an exhibitor, who submits a bid for a particular run of a motion picture may, at reasonable times within sixty (60) days after the bid is opened, examine any bid that is made for the same run of the motion picture by another exhibitor. The exhibitor may inspect the bids even if the distributor rejects all bids that are submitted. Within seven (7) business days after a bid for a particular run of a motion picture is accepted, the distributor shall notify in writing each exhibitor who submitted a bid for that run of the motion picture of the terms of the successful bidder. Any bid submitted is nonreturnable.

(6) If a distributor issues invitations to bid for a motion picture, he shall not enter into a license agreement for the exhibition of the motion picture except by means of the bidding process specified in this section. If the distributor rejects all bids submitted pursuant to an invitation to bid, he shall notify all exhibitors who submitted bids that he rejected all bids and shall issue a new invitation to bid.

SECTION 4. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

In any civil action for damages against a person for violation of the provisions of this Act, the court may award damages and reasonable attorney fees to the prevailing party. The provisions of this Act may be enforced by injunction or any other available equitable or legal remedy.

The Committee Amendment to **HB 240** is as follows:

Amend printed copy of House Bill 240, page 2, line 8 and 9 as follows:

Delete "at some location within the state" and add in lieu thereof "within the cities of Lexington and Paducah and any other location the Distributor may wish to include"

The Committee on State Government reported **HB 95** and **HB 143** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 95, AN ACT relating to the state fair board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 247.100 is amended to read as follows:

(1) The state fair board shall be a body corporate with the usual corporate powers. Full minutes and records shall be kept of all meetings of the board and all official actions of the board shall be recorded therein, and such minutes and records shall constitute public records and *shall be subject to the open records provisions of KRS 61.870 to 61.884* [be available at all reasonable times for public inspection].

(2) A quorum of the board shall consist of five (5) members, and a majority of those present at any meeting of the board may act for the board upon any matter which may legally come before such meeting.

HB 143, AN ACT relating to the absence of officers from the Commonwealth.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) As used in this Act, "effective absence" means such absence as renders the officer incapable for the time being of performing the act that may be in question, which act must present such necessity for immediate attention as to require it to then be executed.

(2) For the purposes of determining whether the governor or the lieutenant governor is absent from the state under sections 84, 85 and 87 of the Constitution of the Commonwealth of Kentucky, "absent from the state" shall mean effective absence, as distinguished from mere physical absence from the Commonwealth.

(3) In determining whether the governor or the lieutenant governor is, or was, effectively absent from the state, the official who would in such circumstances act in his stead, and the court of justice should the issue be presented to the court, shall consider the following:

(a) The immediacy of need for action by a physically-present chief executive;
(b) The extent of the emergency;
(c) The duration of the official's absence from the state;
(d) The difficulty of communicating with the official; and
(e) The difficulty of the official's promptly returning to the state.

(4) It shall be presumed that the governor, or the lieutenant governor, is not effectively absent from the state if the official who would act in his stead in the event of an effective absence has not made a good faith effort, under the then-existing circumstances, to contact the governor or lieutenant governor, inform him of the emergency, and thereby grant him an opportunity to immediately return to the state.

The Committee on Labor and Industry reported **HB 18**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 18, AN ACT relating to organization dues of public employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 18 IS CREATED TO READ AS FOLLOWS:

(1) The Commonwealth of Kentucky shall check off on the wages of public employes for the payment of dues to a labor organization or other organization of public employes upon written authorization by the public employe. Such authorization may be revocable by written notice to the appropriate payroll officer and the employe organization upon the will of the employe.

(2) A labor organization or other organization of public employes receiving such check off of dues may be required by the Commonwealth of Kentucky to defray the actual cost of making such deduction.

SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) All political subdivisions or instrumentalities of the Commonwealth of Kentucky shall check off on the wages of public employes for the payment of dues to a labor organization or other organization of public employes upon written authorization by the public employe. Such authorization may be revocable by written notice to the appropriate payroll officer and the employe organization upon the will of the employe.

(2) A labor organization or other organization of public employes receiving such check off of dues may be required by the political subdivisions or instrumentalities of the Commonwealth of Kentucky to defray the actual cost of making such deduction.

The Committee Amendment to **HB 18** is as follows:

Amend printed copy of **HB 18,** pages 1 and 2, lines 11, 13, 4, and 7 as follows:

On line 11 by deleting "may" and inserting in lieu thereof "shall" and on line 13 by deleting the "." and adding the words "if requested by the employer."

On page 2, line 4, by deleting "may" and inserting in lieu thereof "shall" and on line 7 by deleting "." and by adding the words "if requested by the employer."

Calendar

HB 135, HCR 7, HB 214, HB 37, HB 137, HB 150, HJR 3, HB 122, HB 104, and **HB 51** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **SB 85** and **HR 35.**

Orders of the Day

Representative B. Richardson moved that the rules be suspended for the purpose of acting upon a Resolution.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Barrows, Blair, Blandford, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Hines, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McKinney, McNutt, Moberly, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

The motion that the rules be suspended was adopted.

HJR 27, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of Floor Amendment No. 1 to **HJR 27.** Agreed.

Representative B. Richardson moved that **HJR 27,** as amended, be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HJR 27, as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HJR 27** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Motions, Petitions, and Communications

Representative Overstreet filed the following Floor Amendment No. 1 to **HB 98:**

Amend printed copy of **HB 98,** page 3, line 23, by deleting paragraph *c* in its entirety and changing (d) on line 26 to (c).

Representative DeFalaise filed the following Floor Amendment No. 1 to **HB 83:**

Amend printed copy of **HB 83,** page 21, line 9 by inserting the following new sections after Section 20. Re-number as shown. Section 21 becomes Section 25.

Section 21. KRS 81.160 is amended to read as follows:

(1) Whenever a [second-class] city desires to annex *all or part of a* [any] city of the second, third, [or] fourth, *fifth or sixth* class, *or unincorporated territory,* the legislative body of the city proposing to annex shall pass an ordinance or resolution designating the city *or unincorporated territory* proposed to be annexed, declaring it desirable to annex the city *or unincorporated territory* and providing that the question of annexation shall be submitted to the qualified voters of the city *or unincorporated territory* to be annexed at the next regular election. The mayor of the city proposing to annex shall certify the action of the city to the county clerk, who shall have printed on the ballots provided for use in the city *or unincorporated territory* proposed to be annexed, the question: "Are you in favor of annexing to the city of. . . . . ."? [Opposite the question shall be printed "Yes" and "No," with squares for stamping the cross mark to indicate preference.] If a majority of those voting on the proposition favor annexation, the city proposing to annex shall pass an ordinance declaring the other city *or unincorporated territory* annexed, and that city *or unincorporated territory* shall then be a part of the annexing city.

(2) *A city may reduce its boundaries by following the procedure outlined in subsection (1) of this section for annexing territory* [The provisions of subsection (1) shall also apply in those cases where the city to be annexed was incorporated and became classified as a city of the second, third or fourth class by the legislature prior to January 1, 1978, even if the city was so classified after the institution of annexation proceedings, provided that, the final annexation ordinance has not been adopted by June 17, 1978].

(3) The provisions of this section shall apply in all pending cases in which a city has not adopted a final annexation ordinance by the effective date of this Act.

Section 22. KRS 81.170 is amended to read as follows:

(1) Whenever a [second-class] city annexes another city, the annexing city shall be bound for all the debts and liabilities, and shall be the owner of all corporate property, franchises and rights, of the annexed city. If only a part of another city is annexed, the annexing city shall be liable for that proportion of the debts of the other city which the value of the real estate in the part of the city annexed bears to the value of all the real estate in the city, according to the latest assessment by the property valuation administrator.

(2) Whenever any unincorporated territory or part of a city is annexed by a [second-class] city, the annexing city shall be liable for any indebtedness that is attached to or exists against the territory or part of a city by reason of the same being then or theretofore a part of any taxing district, and the annexing city shall assume the liability, so that after annexation the burden of taxation shall be uniform throughout the city.

Section 23. KRS 81.270 is amended to read as follows:

[(1) If a judgment of the circuit court is adverse to annexation or reduction by a city of any class, no further attempt to annex or strike off the territory concerned shall be made within two (2) years after rendition of the judgment.

(2) If a proposal by a city [of the first class] to annex all or any part of *another* [a smaller] city *or unincorporated territory*, or *to reduce its boundaries* [a proposal by a city of the second class to annex a city of the second, third or fourth class], is rejected by the voters of the city or *territory* [part of city] proposed to be annexxed *or stricken*, no further steps to annex *or strike* the same city or *territory* [part of city] shall be taken within five (5) years from the date of rejection, nor shall the question of annexation *or striking off* be again submitted within that period.

Section 24. The following KRS sections are repealed:

81.100 Annexation of unincorporated territory or reduction of territory by first-class city.

81.110 Protest against annexation of unincorporated territory or reduction of territory by first-class city — Trial — Judgment.

81.120 Annexation of another city by a first-class city.

81.130 First-class city takes over rights and liabilities of city annexed.

81.140 Annexation of unincorporated territory or reduction of territory by second-class city.

81.145 Election on annexation of unincorporated territory by a city of the second class in a county containing a city of the second and third class.

81.150 Annexation of fifth or sixth-class city by second-class city.

81.180 Second-class city to divide annexed territory into wards — Right of electors in annexed territory.

81.190 Annexation or reduction of territory by third-class city.

81.200 Third-class city takes over rights and obligations of city annexed.

81.210 Annexation or reduction of territory by fourth-class city.

81.220 Protest against annexation by fourth-class city — Trial — Judgment.

81.230 Annexation or reduction of territory by fifth-class city.

81.235 Acquisition of lands by city of fifth class for relocation — When — Expenditures for such purpose.

81.240 Annexation or reduction of territory by sixth-class city.

81.250 Fifth or sixth-class city takes over rights and liabilities of city annexed.

81.260 Liability of property owners in territory annexed to sixth-class city for debts of city incurred before annexation.

81.275 Annexation of property of consenting landowners pending litigation.

Representative Wilborn filed the following Floor Amendment No. 1 to Committee Substitute to **HB 51:**

Amend printed copy of Committee Substitute for **HB 51,** page 2, line 4, after the number "(2)" by inserting, "*All funds received by a school district for student fees shall be expended for that purpose.*"

Representative Foster filed the following Floor Amendment No. 1 to Committee Substitute to **HB 104:**

Amend printed copy of Committee Substitute of **HB 104,** page 4, line 10 by inserting a bracket in front of the word "Unless"; and on

Page 4, line 16, by inserting a bracket after "cancellation."

Speaker Pro Tempore Hancock presiding.

Representative B. Richardson moved that the three day posting period be waived in regard to **HR 30.** Agreed.

Representative Little moved that **HB 303** be returned to the Committee on Committees for reassignment.

On the roll call the vote was yeas 64-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Johnson, Kidd, Layman, Lewis, List, Little, May, McBee, McKinney, Moberly, Morris, Noe, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, Richardson, P., Romines, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, Williams, Worthington, Yates. Nays 1-Mann.

The motion that **HB 303** be returned to the Committee on Committees was adopted.

Representative Rapier moved the adoption of the following Legislative Citation No. 18:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Mrs. Sue Willie (Dupin) Reid of Nelson County who will reach the century mark on her birthday, February 14, 1980. She was born in 1880 to Mr. and Mrs. William Dupin in the Manton area of Nelson County. To reach the age of one hundred is a blessed privilege and distinct honor. Your contributions to the welfare of others was demonstrated in your Reid Depot Store that you and your late husband operated. We are proud of you and we wish for you God's bountiful blessings, continued good health and many friends. You have said, "I attribute the longevity of my life to the grace of God and to one ounce of one hundred proof of Kentucky Bourbon daily as a "toddy for the body", a true backer of Nelson County enterprise."

This prestigious body, the House of Representatives, applauds you on this significant and noteworthy occasion, your "One Hundredth Birthday." (Sponsored by Representative Rapier)

Agreed.

Representative Isler moved that he be recorded as voting "yea" on returning **HB 303** to the Committee on Committees. Agreed.

The Speaker announced a meeting of the Committee Chairmen on adjournment today and at 9:00 a.m. tomorrow.

The following meetings were announced:

Committee on Energy: Tuesday, 2:00 p.m., Room A.

Appropriations and Revenue: Budget Subcommittee, 9:00 a.m., Speaker's Office on Friday and also on adjournment on Friday.

Transportation: Cancelled on Tuesday.

Elections and Constitutional Amendments: Cancelled, January 30.

Natural Resources and Environment: Special meeting, tomorrow to consider **HR 30,** 9:30 a.m., Room 307.

Committee on Cities: Tuesday meeting cancelled.

Freshman Caucus: Friday, 9:00 a.m.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 368, by Representative Gray: AN ACT relating to milk marketing.

HB 369, by Representative Clarke: AN ACT relating to crimes and punishments.

HB 370, by Representative Tobin: AN ACT relating to limitations of actions.

HB 371, by Representatives P. Richardson and Hancock: AN ACT relating to podiatrists.

HB 372, by Representatives Farrow and Stumbo: AN ACT relating to motor vehicles.

HB 373, by Representative Farrow: AN ACT relating to alcoholic beverages.

HB 374, by Representative Richards, Burnette, Dawahare, Johnson, Little, Head, Craddock, White, Guenthner, Stumbo, Isler, Van Horn, Bennett, DeFalaise, Thomas, and Morris: AN ACT relating to payment of insurance benefits for services provided by certified social workers.

Posting of Bill and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

State Government: **HJR 34, HB 251, HB 74, HJR 15.**

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

Representative Craddock, **HB 219;** Representative Deskins, **HB 108;** Representative Freibert, **HR 33;** Representative Noe, **HB 296, HR 37;** Representative Patrick, **HB 4, HB 9, HB 30, HB 53, HB 63, HB 64, HB 68, HB 72, HB 74, HB 90, HB 95, HB 99, HB 102, HB 125, HB 193, HB 244, HB 260, HB 285, HR 1, HR 8, HR 9, HR 16, HR 23, HR 30, HR 33;** Representative Plummer, **HB 108;** Representative Riner, **HB 183;** Representative Sale, **HB 219.**

Adjournment

Representative B. Richardson moved that the House adjourn until 10:00 a.m., Friday, January 25, 1980.

On the roll call the vote was yeas 71-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Bronger, Brown, Bruce, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, May, McBee, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Rapier, Reynolds, Richards, Richardson, B., Richardson, P., Romines, Sale, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Wilborn, Worthington, Yates. Nays 7-Blythe, Deskins, Dunn, Guenthner, Overstreet, Priddy, Robinson.

The motion to adjourn was adopted.

FRIDAY, JANUARY 25, 1980

TWELFTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend John Chenault, First Christian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Allen and Williams.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 24, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 375, by Representatives Van Horn and Lundergan: AN ACT relating to pensions in urban county governments.

HB 376, by Representatives Van Horn and Lundergan: AN ACT relating to pensions in urban-county government.

HB 377, by Representative Van Horn: AN ACT relating to gratuities for employes.

HB 378, by Representatives Turner, Fryman, Plummer, Foster, Sale, Hines, Brown, Moberly, Blair, Tobin, and DeMarcus: AN ACT relating to retirement.

HB 379, by Representative Pearman: AN ACT relating to elections.

HB 380, by Representative Pearman: AN ACT relating to livestock.

HB 381, by Representative Jones: AN ACT relating to waterworks.

HR 39, by Representative Van Horn: A RESOLUTION commending Lexington-Fayette Urban County Firefighter Steve Woerner.

Senate Message

Announcing passage of **SB 42** and **SB 59.**

Recess

Representative B. Richardson moved that the House recess for twenty minutes for Democratic caucus. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative List filed the following Floor Amendment No. 2 to **HB 83:**

Amend printed copy of **HB 83** on page 21, line 2, renumber "Section 20" as "Section 16" and on page 21, line 9, renumber "Section 21" as "Section 17"

Representative Wilborn filed the following Floor Amendment No. 2 to Committee Substitute to **HB 51:**

Amend printed copy of Committee Substitute for **HB 51** page 2, line 18, by inserting the following after line 17:

(3) In the event that the 1980 session of the general assembly fails to appropriate funds adequate to meet the provisions of this Act for fiscal years 1980-81 and 1981-82, namely $12,500,000 for fiscal year 1980-81 and $12,500,000 for fiscal year 1981-82, this Act is repealed.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 368.**

Banking and Insurance: **HB 374.**

Business Organizations and Professions: **HB 373.**

Counties and Special Districts: **HB 303, HB 358, HB 359, HB 360, HB 361.**

Education: **SB 85.**

Elections and Constitutional Amendments: **HB 352, HB 353, HB 354.**

Health and Welfare: **HB 362, HB 364, HB 371.**

Judiciary: **HB 356, HB 357, HB 366, HB 369, HB 370.**

Labor and Industry: **HB 365.**

State Government: **HB 355, HB 363, HR 38.**

Transportation: **HB 367, HB 372.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Banking and Insurance: **HB 278.**

Counties and Special Districts: **HB 320, HB 269, HB 303.**

Elections and Constitutional Amendments: **HB 176, HB 178.**

Business Organizations and Professions: **SB 43.**

Agriculture: **HB 327.**

Appropriations and Revenue: **HB 205.**

Report of Committees

The Committee on Rules reported **HB 8, HB 94, HB 51, HB 104, HB 122,** and **HB 135** have been posted for passage in Orders of the Day, January 31, 1980.

The Committee on Rules reported the following Bills and Resolutions have been recommitted:

HB 102 to the Committee on State Government.

HB 146 and **HB 147** to the Committee on Appropriations and Revenue.

HB 137 to the Committee on Education.

HJR 3 to the Committee on Appropriations and Revenue.

The Committee on Natural Resources and Environment reported **HR 30** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 30, A RESOLUTION urging the Attorney General of the Commonwealth of Kentucky to take immediate legal action to enjoin the same requirements of the federal Surface Mining Control and Reclamation Act of 1977 as were declared unconstitutional by the U. S. District Court, Western District of Virginia, Civil Action No. 78-0224-B, January 3, 1980.

WHEREAS, the U. S. District Court, Western District of Virginia, on January 3, 1980 permanently enjoined Section 515(d) and (e) of the federal Surface Mining Control and Reclamation Act and ruled "the portions of the Act requiring steep slopes to be restored to approximate original contour are not environmentally sound and do not serve the interests of the federal government and are so burdensome on the Commonwealth of Virginia as to threaten its economy."; and

WHEREAS, the same court ruled that Section 515(d) and (e), relating to restoration of the approximate original contour after mining and Section 522, relating to designating areas unsuitable for surface coal mining, "are hereby declared and adjudged to be unconstitutional as a taking of private property without just compensation in contravention of the Fifth Amendment of the United States Constitution, until such time as the federal government sees fit to obtain said land by eminent domain and payment of just compensation."; and

WHEREAS, the federal court ruled "the act also provides for summary issuance of cessation orders and civil penalties, which have been shown to deprive mine operators of procedural due process of the law as guaranteed by the Fifth Amendment" and therefore permanently enjoined Section 518, relating to penalties; Section 521(a)(1)-(3), relating to the immediate issuance of cessation orders; and Section 525, relating to a request for review of enforcement orders by any person having an interest which is or may be adversely affected by the order; and

WHEREAS, the economy of the Commonwealth of Kentucky is greatly dependent on the mining of coal, which is the state's second largest industry; and

WHEREAS, the application in Kentucky of those requirements of the federal law which will not apply in Virginia because they have been enjoined will place the coal industry in Kentucky in a significant competitive disadvantage; and

WHEREAS, it is the desire of the General Assembly that Kentucky coal not be treated in an unfair or unconstitutional manner;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Attorney General is urged to take legal action to seek an injunction against and declaratory relief from the federal Surface Mining Control and Reclamation Act of 1977 based upon the decision of the U. S. District Court, Western District of Virginia, Civil Action No. 78-0224-B, January 3, 1980.

Section 2. That copies of this resolution be sent to the state Attorney General, Office of Surface Mining in both Knoxville and Washington, D. C., the Governor, Kentucky's Congressional Delegation, and to President Carter.

Calendar

HB 111, HB 177, HB 245, HB 131, HB 240, HB 95, HB 143, and **HB 18** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 43, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of the Committee Amendment No. 1 to **HB 43.** Agreed.

Representative Holbrook moved passage of **HB 43,** as amended.

On the roll call the vote was yeas 64-Adams, Bendl, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Guenthner, Haering, Hancock, Holbrook, Holloway, Isler, Johnson, Jones, Layman, LeMaster, Lewis, List, Little, May, Maynard, McBee, McKinney, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Stone, Thomason, Tobin, Turner, White, Wright, Yates. Nays 26-Arnold, Barrows, Brinkley, Burnette, Cawood, Clark, Clarke, Fryman, Gray, Head, Hines, Kenton, Kidd, Lundergan, Mann, McNutt, Moberly, Nett, Rapier, Reynolds, Smith, Stumbo, Van Horn, Weinberg, Wilborn, Worthington.

HB 43, as amended, was passed and the title agreed to.

Representative Holbrook moved that the votes by which **HB 43,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 61 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved passage of **HB 61.**

On the roll call the vote was yeas 72-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Clapp, Clark, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McBee, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rattliff, Reynolds, Richards, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Thomason, Turner, Van Horn, White, Worthington, Wright, Yates. Nays 21-Barrows, Bruce, Caldwell, Cawood, Clarke, Craddock, Crupper, Deskins, Jones, Kenton, Little, McKinney, McNutt, Moberly, Rapier, B. Richardson, Smith, Stumbo, Tobin, Weinberg, Wilborn.

HB 61 was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 61** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of **HB 83** be deferred and that it retain its position in Orders of the Day. Agreed.

HB 98, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved passage of **HB 98.**

Representative Overstreet moved the adoption of the Floor Amendment No. 1 to **HB 98.**

On the roll call the vote was yeas 41-Adams, Blair, Bruce, Burnette, Clapp, Clarke, Craddock, Curd, Cyrus, Davenport, DeFalaise, Deskins, Dunn, Ellington, Foster, Gray, Guenthner, Hae ring, Head, Hines, Holbrook, Holloway, Jones, Layman, LeMaster, Lewis, List, Maynard, McBee, Nett, O'Brien, Overstreet, Rattliff, Richards, B. Richardson, Sale, Schmidt, Thomason, Turner, Van Horn, White. Nays 54-Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clark, Crupper, Dawahare, DeMarcus, Donnermeyer, Farrow, Freibert, Fryman, Hancock, Isler, Johnson, Kenton, Kidd, Little, Lundergan, Mann, May, McKinney, McNutt, Moberly, Morris, Noe, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, P. Richardson, Riner, Robinson, Romines, Smith, Stone, Stumbo, Tobin, Weinberg, Wilborn, Worthington, Wright, Yates.

The motion that Floor Amendment No. 1 to **HB 98** be adopted was rejected.

Representative Thomason moved that **HB 98** be returned to the Committee on Appropriations and Revenue for fiscal analysis.

On the roll call the vote was yeas 25-Adams, Blair, Bruce, Burnette, Clapp, Clarke, Craddock, DeFalaise, Deskins, Ellington, Foster, Haering, Head, Holloway, Jones, Morris, O'Brien, Overstreet, Schmidt, Thomas, Thomason, Turner, White, Wilborn. Nays 57-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Holbrook, Isler, Johnson, Layman, Lewis, Little, Lundergan, Mann, May, Maynard, McKinney, Moberly, Nett, Noe, Petty, Plummer, Rapier, Reynolds, B. Richardson, P. Richardson, Riner, Robinson, Romines, Smith, Stone, Stumbo, Tobin, Van Horn, Weinberg, Worthington, Wright.

The motion that **HB 98** be returned to the Committee on Appropriations and Revenue for fiscal analysis was rejected.

On the roll call the vote was yeas 72-Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Crupper, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Haering, Hancock, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomason, Tobin, Van Horn, Weinberg, Wilborn, Worthingon, Wright, Yates. Nays 22-Adams, Blair, Bruce, Burnette, Clapp, Clark, Clarke, Craddock, Curd, DeFalaise, Ellington, Gray, Guenthner, Head, Hines, Holloway, Maynard, Overstreet, Schmidt, Thomas, Turner, White.

HB 98 was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 98** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 4 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved passage of **HCR 4.**

On the roll call the vote was yeas 94-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthingon, Wright, Yates. Nays 0.

HCR 4 was passed and the title agreed to.

Representative Worthington moved that the vote by which **HCR 4** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Motions, Petitions, and Communications

Speaker Pro Tempore Hancock presiding.

The Speaker announced a meeting of the Committee on Rules on adjournment.

Representative Heleringer moved that he be recorded as voting "yea" on **HB 98.** Agreed.

Representative Van Horn moved that the rules be suspended for the purpose of acting upon a Resolution. Agreed.

Representative Van Horn moved the adoption of the following **HR 39:**

HR 39, A RESOLUTION commending Lexington-Fayette Urban County Firefighter Steve Woerner.

WHEREAS, Sparky, the Lexington-Fayette Urban County Fire Department's mascot, is 14 years old and in poor health; and

WHEREAS, Sparky's condition has been growing progressively worse until now he is incontinent, and due to a bad back disc, must drag his hind legs; and

WHEREAS, the firefighters love Sparky and have been unable to face the question of having him put to sleep; and

WHEREAS, firefighter Steve Woerner has cared for Sparky at the 3rd Street fire station for the past three years; and

WHEREAS, Steve has given Sparky a reprieve from certain death by taking him to his home to live out whatever time Sparky may have remaining; and

WHEREAS, Steve Woerner has essentially accepted the responsibility of caring for an 80 or 90 year old invalid;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives honor and commend Lexington-Fayette Urban County firefighter Steve Woerner for his humanitarianism.

Section 2. That this honorable body hail Steve Woerner as an exemplary representative of the Commonwealth of Kentucky.

Section 3. That the Clerk of the House be directed to forward a copy of this resolution to Steve Woerner and Sparky.

Agreed.

Representative Mann moved the adoption of the following Legislative Citation No. 19:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Mrs. Margie Schroeder Howe for your distinguished services to Campbell County for a period of thirty-seven years. As Deputy County Clerk for thirty-five years and County Clerk for two years, your fine record has been most impressive. May memories of your successful accomplishments brighten your retirement years with heartfelt appreciation. This prestigious body, the House of Representatives, salutes you for your dedication and contribution to the welfare of the citizens of Campbell County. We extend to you our very best wishes for a Retirement filled with happiness, health and many friends. (Sponsored by Representative Mann)

Agreed.

Representative Worthington moved the adoption of the following Legislative Citation No. 17:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Fleming County High School football team, Coach Ted Purcell and staff members - Joe McMackin, Don Hardin, Don McReynolds and Dan Berryman as winners of the Class AA District Championship. As District Champions for the first time in the school's history, your fine record reflects your hard work and school loyalty. This body salutes you and may many more victories crown your efforts. (Sponsored by Representative Worthington)

Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Davenport, **HB 370;** Representative DeMarcus, **HB 374;** Representative Ellington, **HB 20, HB 351;** Representative Fryman, **HB 4, HB 15, HB 31, HB 96;** Representative Guenthner, **HB 354;**

Representative Haering, **HB 300;** Representative Holbrook, **HB 108;** Representative Hines, **HB 374;** Representative Lewis, **HR 30, HB 72;** Representative McKinney, **HB 72;** Representative Overstreet, **HB 108;** Representative Pearman, **HB 374;** Representative Priddy, **HB 108,** Representative Romines, **HB 74, HB 98;** Representative White, **HR 30.**

The Committee Chairmen announced the following meetings:

Judiciary: On adjournment, Thursday, Room 9.

Agriculture: Thursday, 9:00 a.m.

Appropriations and Revenue: Tuesday, 10:00 a.m., Room A.

Labor and Industry: Thursday, 12:30.

Energy: Tuesday, 2:00 p.m., Room A.

Natural Resources and Environment: Thursday, 12 noon, Room A.

Education: Cancelled next week.

Cities: Cancelled on Tuesday.

Representative B. Richardson moved that the rules be suspended to allow Introduction of Bills and Resolutions and Posting of Bills and Resolutions for Consideration. Agreed.

Introduction of Bills and Resolutions
(continued)

HB 382, by Representatives Morris, Bruce, Burnette, Boswell, Foster, Rapier, Pearman, Thomason, and Curd: AN ACT relating to farm trucks.

HB 383, by Representatives DeMarcus, Turner, Fryman, Plummer, Patrick, Blythe, Guenthner, Overstreet, Lewis, McKinney, Caldwell, Robinson, Dunn, Davenport, Layman, Rattliff, and Bruce: AN ACT relating to sheriffs.

HB 384, by Representative Cyrus: AN ACT relating to telephone service.

HB 385, by Representatives Brinkley, Kenton, and B. Richardson: AN ACT relating to trusts and estates.

HB 386, by Representatives Mann, Donnermeyer, McBee, Petty, Maynard, and Schmidt: AN ACT proposing to amend Section 226 of the Constitution of Kentucky relating to lotteries and gift enterprises.

Posting of Bills and Resolutions for Consideration
(continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Labor and Industry: **SB 15.**

Natural Resources and Environment: **HB 236, HB 244.**

State Government: **HB 102.**

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Thursday, January 31, 1980.

On the roll call the vote was yeas 67-Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Bronger, Bruce, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Foster, Freibert, Fryman, Haering, Hancock, Head, Hines, Holbrook, Holloway, Johnson, Kidd, Lewis, List, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Noe, O'Brien, Pearman, Petty, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Wilborn, Worthington, Yates. Nays 9-Adams, Boswell, Farrow, Guenthner, Isler, LeMaster, Overstreet, Robinson, Wright.

The motion to adjourn was adopted.

JANUARY 31, 1980

FIFTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Blair, Ellington, Lewis and Pearman.

Representative Isler moved that absent members be granted leave of absence in accordance with the Rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 25, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 387, by Representatives Freibert, Davenport, Allen, Haering, Ellington, P. Richardson, and Schmidt: AN ACT relating to civil liability for emergency care.

HB 388, by Representatives Brown, Romines, Blair, Boswell, Crupper, Cyrus, Davenport, Dawahare, Donnermeyer, Gray, Johnson, Layman, Lewis, McBee, McKinney, Moberly, Petty, Plummer, Priddy, Smith, Turner, Van Horn, Williams, Wright, and Yates: AN ACT relating to the Kentucky state police.

HB 389, by Representative LeMaster: AN ACT relating to controlled substances.

HB 390, by Representative B. Richardson: AN ACT relating to municipalities.

HB 391, by Representative Wilborn: AN ACT relating to inheritance tax.

HB 392, by Representative Burch: AN ACT relating to crimes and punishments.

HB 393, by Representative Boswell, Stone, Blandford, Brinkley, Bronger, Burch, Burnette, Clark, Curd, Dunn, Noe, Patrick, Pearman, Petty, Priddy, Thomas, and Yates: AN ACT relating to the Kentucky state police.

HB 394, by Representative Davenport: AN ACT relating to absentee voting.

HB 395, by Representatives Noe, Thomas, Barrows, Little, and Mann: AN ACT relating to the common school foundation program.

HB 396, by Representative B. Richardson: AN ACT relating to detectives of the commonwealth attorneys.

HB 397, by Representatives Foster and Holbrook: AN ACT relating to investments of domestic insurers.

HB 398, by Representative Mann: AN ACT relating to landlords and tenants.

HJR 40, by Representative Wilborn: A JOINT RESOLUTION requiring the Kentucky school building authority to comply with legislative intent.

Senate Message

Announcing passage of **SB 11, SB 56, SR 9, SB 99, SB 47, SB 77, SB 53, SB 31, SB 91, SB 75,** and **SB 65.**

Committee Appointments

The Committee on Committees appointed the following Representatives to serve on the Committee on Enrollment: Representatives Isler, Priddy, Holbrook, Tobin, and Farrow.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 380, HB 382.**

Counties and Special Districts: **HB 375, HB 376, HB 383.**

Education: **HB 378.**

Elections and Constitutional Amendments: **HB 379, HB 386.**

Energy: **HB 381, HB 384.**

Judiciary: **HB 385, SB 42, SB 59.**

Labor and Industry: **HB 377.**

Report of Committees

The Committee on Rules reported **HB 150, HB 214,** and **HB 95** have been posted for passage in Orders of the Day, February 1, 1980.

The Committee on Rules reported **HB 245** has been recommitted to the Committee on Appropriations and Revenue for study of fiscal impact.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following bills and Resolutions have been posted for Committee consideration:

Business Organizations and Professions: **HB 238, HB 239, HB 332.**

Judiciary: **HB 86, HB 87, HB 130.**

Elections and Constitutional Amendments: **HB 323.**

Report of Committees (continued)

The Committee on Agriculture and Small Business reported **HB 105,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 105, AN ACT relating to the registration of agricultural land and mineral rights.

WHEREAS, it is in the best interests of the citizens of the Commonwealth of Kentucky to preserve its natural resources and agricultural lands from exploitation by non-resident aliens; and

WHEREAS, it is important to the citizens of this state to ascertain the actual ownership of those holding title to, interest in, or leasing its natural resources and agricultural lands, where such are being purchased or controlled by non-resident aliens or foreign businesses; and

WHEREAS, registration of ownership, or interest, or holding at the time of purchasing or otherwise obtaining any interest, is best effectuated and controlled through a disclosure procedure with the secretary of state and the property valuation administrator in each county where such land is located;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

This Act shall be known and may be cited as the "Alien Land Investment Act."

SECTION 2. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

It is the purpose and intent of the general assembly to establish a comprehensive reporting system to monitor acquistion of all interests, other than security interests, obtained in mineral rights and agricultural lands by non-resident aliens and foreign business concerns.

SECTION 3. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

As used in this Act unless the context otherwise requires:

(1) "Agricultural land" means any tract or tracts of land in this state having a cumulative total of more than forty (40) acres whether inside or outside the corporate limits of any municipality, which is capable, without substantial modification to the character of the land, of supporting an agricultural enterprise, including, but not limited to, land used for the production of agricultural crops or fruit or other horticultural products, or for the raising or feeding of animals for the production of livestock or livestock products, poultry or poultry products, or milk or dairy products.

(2) "Alien" means:

(a) Any foreign person who is not a citizen or national of the United States or who is not a resident of the United States or of some state, territory, trusteeship or protectorate of the United States, or who is not lawfully admitted to the United States for permanent residence or parole into the United States under the immigration and nationality act;

(b) Any person, other than an individual or a government, which is created or recognized under the laws of a foreign government or which has its principal place of business located outside of all the states;

(c) Any person, other than an individual or a government, which is created or organized under the laws of any state and in which a significant interest or substantial control is directly or indirectly held:

1. By any person referred to in paragraph (a) of this subsection;
2. By any person referred to in paragraph (b) of this subsection;
3. By any foreign government; or
4. By any combination of such individuals, persons or governments.

(3) "Residence" means the place of general abode; the place of general abode means the principal, actual dwelling place in fact, where the individual intends to remain permanently or at least for an indefinite period of time.

(4) "Foreign business" means any business entity whether or not incorporated, including, but not limited to, corporations, partnerships, limited partnerships, joint ventures and associations in which a controlling interest is owned by aliens. In determining ownership of a foreign business, legal fictions such as corporate form or trust shall be disregarded.

(5) "Foreign government" means any government other than the federal government, or any government of a state, or a political subdivision of a state.

(6) "Person" includes any individual, corporation, company, association, firm, partnership, society, joint stock company, trust, estate, or any other legal entity.

SECTION 4. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) It shall be considered ownership or interest in mineral rights and agricultural lands whenever an alien or foreign business shall purchase as an owner, shall lease, or otherwise hold any interest in any mineral rights or agricultural lands in this state; and such alien or foreign business shall be required to register that interest and disclose the actual names of the alien owners of such property.

(2) Constructive ownership, as defined by the internal revenue service in 26 U.S.C.A. Section 318, shall apply when enforcing the provisions of this Act in determining limitations on ownership; and ownership or interest in various parcels of land wherever situated in the state and whether or not contiguous shall be considered in order to arrive at the cumulative land holding amount.

SECTION 5. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) At the time of the initial purchase or transfer of land which will result in a change in ownership or interest in agricultural land or mineral rights, registration and disclosure of the actual ownership or interest

shall be made to each county property valuation administrator where the property or portion thereof is located and to the office of the secretary of state. Additionally, where any percentage change in ownership or interest occurs, which does not result in a complete change in ownership title, either to the land or in the stock holdings or other interests of the foreign business, but which will then cause the property in question to qualify under the provisions of this Act, then at that time and in that event, disclosure shall be made to the office of the secretary of state reflecting the change. Disclosure shall be made within ninety (90) days of the original transaction or change in ownership or interest.

(2) If on the effective date of this Act any person shall own land or hold an interest in land who would otherwise qualify under the provisions of this Act to register and disclose the actual ownership had the Act been in effect when the purchase or change in ownership occurred, such person shall have one (1) year from the effective date of this Act to comply with the provisions herein. Notice of the requirement to register and disclose shall accompany the property tax bill for the year in which this Act takes effect and shall be in a form prescribed by the secretary of state as provided in Section 9 of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) Failure to comply with this Act or knowingly submitting a report which does not contain all the information required or which contains information that is misleading or false shall result in a fine of twenty-five percent (25%) of the market value of the affected interest in the land. The fine shall attach to all real property of the alien or foreign business as a first lien having first priority over all liens. Interest at the current legal rate shall begin to run from the date of noncompliance and shall accumulate until payment or the land is sold to satisfy the lien, whichever occurs first. This shall be a lien upon the fee in such property, and not merely upon the interest of the person to whom such property is or ought to be assessed, but to any and all other interests in the property, whether in reversion or remainder, or of lienors, or of any nature whatever. This lien shall extend to each and every part of all tracts or lots of land, notwithstanding any division or alienation thereof, or advertising the same in the name of persons not actually owners thereof at the time of the sale.

(2) Failure to pay the fine within one (1) year from the date of attachment as a lien to such property shall cause the property to be sold to satisfy the lien. The secretary of state shall be responsible for the sale of the land to satisfy the lien, together with accumulated interest and reasonable attorney fees.

SECTION 7. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

It shall be the duty of the attorney general to enforce the provisions of this Act as follows:

(1) To investigate any alleged violations as reported by the office of the secretary of state and to investigate any sworn complaint filed in relation to any alleged violations of this Act; and to take appropriate action to provide for the enforcement of the provisions of this Act.

(2) The attorney general may:

(a) Seek injunctions from a circuit court of this state to enforce the provisions of this Act; and

(b) Require any person to answer in writing and under oath or affirmation any question within the knowledge of that person concerning any transaction which qualifies under the provisions of this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

All funds received from a violation pursuant to Section 6 of this Act, shall be paid proportionately to the respective general education funds of the county where the property is located to be used for public education.

SECTION 9. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) The responsibility of preparing the necessary forms and the initial implementation of the procedures under this Act shall be through the office of the secretary of state together with the county property valuation administrators through the department of revenue. The registration and disclosure shall be submitted in the form and in accordance with the procedures the secretary of state may require and shall contain:

(a) The legal name and the address of the alien;

(b) In any case in which the alien is an individual, the citizenship of the alien;

(c) In any case in which the alien is not an individual or a government, the nature of the legal entity holding the interest, the country in which such foreign business is created or organized, and the principal place of business;

(d) The type of interest in agricultural land or mineral rights which the alien acquired or transferred;

(e) The legal description and acreage of the agricultural land or the mineral rights;

(f) The purchase price paid for, or any other consideration given for, such interests;

(g) In any case in which the alien transfers such interest, the legal name and the address of the person to whom the interest is transferred and:

1. In any case in which such transferee is an individual, the citizenship of such transferee; and

2. In any case in which such transferee is not an individual or a government, the nature of the legal entity holding the interest, the country in which such transferee is created or organized, and the principal place of business of such transferee;

(h) The agricultural purposes for which the foreign person intends, on the date on which the report is submitted to the secretary of state, to use the agricultural land; and

(i) Such other information as the secretary of state may require by regulation.

(2) Any person who holds or acquires on or after the effective date of this Act any interest, other than a security interest, in agricultural land or mineral rights at a time when such person is not an alien but who subsequently becomes an alien shall comply with the provisions of this Act for disclosure not later than ninety (90) days after the date on which the person becomes an alien.

(3) With respect to any alien, other than an individual or a government, who is required by other provisions of this Act to register, the secretary of state shall, in addition, require such alien to submit to the secretary of state a report containing:

(a) The legal name and the address of each person who holds any interest in the alien;

(b) In any case in which the holder of such interest is an individual, the citizenship of the holder; or

(c) In any case in which the holder of such interest is not an individual or a government, the nature of the legal entity holding the interest, the country in which the holder is created or organized, and the principal place of business of the holder.

(4) With respect to any person, other than an individual or a government, whose legal name is contained in any registration submitted under subsection (3) of this section, the secretary of state shall require such person to submit a report containing:

(a) The legal name and the address of any person who holds any interest in the person submitting the report under this subsection;

(b) In any case in which the holder of such interest is an individual, the citizenship of the holder; or

(c) In any case in which the holder of such interest is not an individual or a government, the nature of the legal entity holding the interest, the country in which the holder is created or organized, and the principal place of business of the holder.

SECTION 10. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) The office of the secretary of state shall be responsible for ensuring that the enforcement provisions of this Act are complied with.

(2) The secretary of state shall send a semi-annual report to the department of agriculture on the agricultural lands registered to aliens and foreign businesses, and where mineral rights have been so registered to the department for natural resources and environmental protection and the department of mines and minerals.

Section 11. This Act shall take effect July 1, 1980.

The Committee Amendment No. 1 to **HB 105** is as follows:

Amend printed copy of **HB 105,** page 11, lines 20 and 21, by striking those lines in their entirety.

The Committee Amendment No. 2 to **HB 105** is as follows:

Amend printed copy of **HB 105** on page 6, line 15, by striking "twenty-"

and on page 6, line 16, by striking "five percent (25%)" and inserting in lieu thereof "ten percent (10%)"

and on page 6, lines 17, 18, and 19, by striking the following:

"The fine shall attach to all real property of the alien or foreign business as a first lien having first priority over all liens."

and substituting therefor the following:

"The fine shall attach to the land of the alien or foreign business as a lien upon the property."

and on page 11, after line 8, insert the following:

"(5) If the holder is a publicly owned corporation whose stock is listed on a recognized stock exchange in the United States, the disclosure of additional information with respect to its individual shareholders shall not be required."

The Committee Amendment No. 3 to **HB 105** is as follows:

Amend printed copy of **HB 105**, page 6, line 7, by inserting after the word "effect" the following: "and any year thereafter"

The committee Amendment No. 4 to **HB 105** is as follows:

Amend printed copy of **HB 105,** page 7, line 10, by adding the following language after the words "secretary of state": "shall notify the attorney general who"

The Committee on Appropriations and Revenue reported **HB 70** with Committee Amendment attached thereto, **HB 161,** and **HB 167** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 70, AN ACT relating to budget and financial administration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.300 is amended to read as follows:

(1) The executive department for finance and administration shall prescribe and install a unified and integrated system of accounts for the state *which shall comply with generally accepted accounting principles, and*[,] which shall be in addition to other accounts required by this chapter and which shall include:

(a) A set of budgetary control accounts for each fund, comprising an account with the available cash of the fund, an account with the budget estimate of the amount of money to be derived from each source of revenue and nonrevenue receipts, an account with the total of the unallotted balances of appropriations, an account with the total of the free balances of allotments, an account with the total commitments under allotments, and an account with the estimated cash surplus or deficit, so as to show at all times the status of the budget fund.

(b) A subsidiary appropriation ledger for each fund from which appropriations are made, embracing an account with each appropriation, and designed to show the budget unit to which the appropriation was made, the purpose of the appropriation, the amount appropriated, the additions to the appropriation, the allotments from the appropriation, the unallotted balance of the appropriation, the commitments charged to allotments, and the free balances of the total amount allotted.

(c) A set of general controlling proprietary and operating accounts for each fund, so as to record the transactions to the fund in summary form and to show the actual current assets, prepaid expenses, current liabilities, deferred credits to income, reserves, actual income, actual expenditures, and the current surplus or deficit.

(d) A uniform classification of the sources of revenue and nonrevenue receipts, which shall be observed by all budget units in preparing pay-in vouchers and reporting on revenues and receipts.

(e) Standard classifications of the expenditures of the budget units, by the activities upon which the units are engaged.

(f) A standard classification of the budget units and their principal functions by major functions of government.

(g) Such other accounts, records and devices as the executive department for finance and administration deems necessary for the production of needed information respecting financial condition, financial operations and costs.

(2) The accounts provided for in paragraphs (a), (b) and (c) of subsection (1) of this section shall be maintained in the office of the executive department for finance and administration.

(3) The executive department for finance and administration shall keep controlling accounts with receipts, payments and state depositories entirely independent of those maintained by the state treasurer. The department shall obtain from the state treasurer the figures for the entries required to open such accounts, and thereafter it shall obtain the information required for the keeping of such accounts from the pay-in vouchers, lists of warrants drawn under appropriations, and vouchers requesting transfers of deposits among state depositories.

(4) The accounting system prescribed and installed by the executive department for finance and administration shall provide for the settlement of transactions between budget units by making debit and

credit entries on the books of the department on the basis of adequate expenditure vouchers, without the issuance of warrants.

Section 2. KRS 446.010 is amended to read as follows:

As used in the statute laws of this state, unless the context requires otherwise:

(1) "Action" includes all proceedings in any court of this state;

(2) "Animal" includes every warmblooded living creature except a human being;

(3) "Attorney" means attorney at law;

(4) "Bequeath" and "devise" mean the same thing;

(5) "Bequest" and "legacy" mean the same thing, and embrace either real or personal estate, or both;

(6) "Cattle" includes horse, mule, ass, cow, ox, sheep, hog or goat of any age or sex;

(7) "Company" may extend and be applied to any corporation, company, person, partnership, joint stock company or association;

(8) "Corporation" may extend and be applied to any corporation, company, partnership, joint stock company or association;

(9) "Cruelty" as applied to animals includes every act or omission whereby unjustifiable physical pain, suffering or death is caused or permitted;

(10) "Directors", when applied to corporations, includes managers or trustees;

(11) "Domestic", when applied to corporations, means all those incorporated or formed by authority of this state;

(12) "Domestic animal" means any animal converted to domestic habitat;

(13) "Federal" refers to the United States;

(14) "Foreign", when applied to corporations, includes all those incorporated or formed by authority of any other state;

(15) "Generally accepted accounting principles" are those that are governed by the Financial Accounting Standards Board under the auspices of the American Institute of Certified Public Accountants;

(16)[(15)] "Humane society", "society", or "Society for the Prevention of Cruelty to Animals", means any nonprofit corporation, organized under the laws of this state and having as its primary purpose the prevention of cruelty to animals;

(17)[(16)] "Issue", as applied to the descent of real estate, includes all the lawful lineal descendants of the ancestors;

(18)[(17)] "Juvenile court" means the juvenile session of district court;

(19)[(18)] "Land" or "real estate" includes lands, tenements and hereditaments and all rights thereto and interest therein, other than a chattel interest;

(20)[(19)] "Legatee" and "devisee" convey the same idea;

(21)[(20)] "May" is permissive;

(22)[(21)] "Month" means calendar month;

(23)[(22)] "Oath" includes "affirmation" in all cases in which an affirmation may be substituted for an oath;

(24)[(23)] "Owner" when applied to any animal, means any person having a property interest in such animal;

(25)[(24)] "Peace officer" includes sheriffs, constables, coroners, jailers, marshals, policemen and other persons with similar authority to make arrests;

(26)[(25)] "Penitentiary" includes all of the state penal institutions except the houses of reform;

(27)[(26)] "Person" may extend and be applied to bodies-politic and corporate, societies, communities, the public generally, individuals, partnerships and joint stock companies;

(28)[(27)] "Personal estate" includes chattels, real and other estate that passes to the personal representative upon the owner dying intestate;

(29)[(28)] "Regular election" means the election in even numbered years at which members of Congress are elected and the election in odd numbered years at which state officers are elected;

(30)[(29)] "Shall" is mandatory;

(31)[(30)] "State" when applied to a part of the United States, includes territories, outlying possessions and the District of Columbia; "any other state" includes any state, territory, outlying possession, the District of Columbia, and any foreign government or country;

(32)[(31)] "Sworn" includes "affirmed" in all cases in which an affirmation may be substituted for an oath;

(33)[(32)] "United States" includes territories, outlying possessions and the District of Columbia;

(34)[(33)] "Vacancy in office", or any equivalent phrase, means such as exists when there is an unexpired part of a term of office without a lawful incumbent therein, or when the person elected or appointed to an office fails to qualify according to law, or when there has been no election to fill the office at the time appointed by law; it applies whether the vacancy is occasioned by death, resignation, removal from the state, county or district, or otherwise;

(35)[(34)] "Violate" includes failure to comply with;
(36)[(35)] "Will" includes codicils; "last will" means last will and testament;
(37)[(36)] "Year" means calendar year; and
(38)[(37)] "City" includes town.

The Committee Amendment No. 1 to **HB 70** is as follows:

Amend printed copy of **HB 70,** page 5, line 6, by deleting after the word "those" all the underlined language through line 8 and substituting in lieu thereof the following:

Uniform minimum standards of and guidelines to financial accounting and reporting as adopted by the National Council on Governmental Accounting, under the auspices of the Municipal Finance Officers Association and by the Financial Accounting Standards Board, under the auspices of the American Institute of Certified Public Accountants;

HB 161, AN ACT relating to property taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.010 is amended to read as follows:
As used in this chapter, unless the context otherwise requires:
(1) "Department" means the department of revenue.
(2) "Taxpayer" means any person made liable by law to file a return or pay a tax.
(3) "Real property" includes all lands within this state and improvements thereon.
(4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.
(5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.
(6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent per one hundred dollars of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. *For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.*
(7) "Net assessment growth" means the difference in the total valuation of property subject to taxation by the county, city, school district or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and the total valuation of property subject to taxation by the county, city, school district or special district for the current year.
(8) "New property" means the net difference in *taxable* value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:
(a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction, however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one school district to another;
(b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;
(c) The value of improvements to existing nonresidential property;
(d) The value of new residential improvements to property;
(e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;
(f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator the value of such property as a farm shall be a deletion from that category;

(g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;

(h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided;

[(i) The total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year.]

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least ten contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber, or where devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government, where such activities produced an average annual gross income including payments under a state or federal program according to the following scale:

Acres	Annual Gross Income +	Income Per Acre
10 to 30	$1,000+	$60.00 per acre, or a fraction thereof, over 10 acres.
30 to 60	$2,200+	$40.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	$3,400+	$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	$4,400+	$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	$5,900+	$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there must be an annual gross income of these amounts within two (2) years of purchase. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(10) "Horticultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least five contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers or ornamental plants, where such activities produced an average annual gross income according to the following scale:

Acres	Annual Gross Income +	Income Per Acre
5 to 30	$1,000 minimum, or	$100.00 per acre, or a fraction thereof, over 5 acres, or whichever amount is greater.
30 to 60	$3,000+	$50.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	$4,500+	$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	$5,500+	$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	$7,000+	$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there is evidence of anticipated annual gross income of these amounts. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

(a) Relative percentages of tillable land, pasture land, and woodland;

(b) Degree of productivity of the soil;

(c) Risk of flooding;

(d) Improvements to and on the land that relate to the production of income;

(e) Row crop capability including allotted crops;

(f) Accessibility to all-weather roads and markets; and

(g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.

(12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.

(13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings and all other land connected thereto.

(14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.

(15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.

Section 2. KRS 132.015 is amended to read as follows:

The property valuation administrator shall maintain lists of all real property additions and real property deletions to the property tax rolls for the county or urban county, and each city, school district and special district in the county or urban county, and shall certify such lists to the department of revenue, [the state local finance officer,] the city clerk of each city in the county *which elects to use the annual county assessment as provided for in KRS 132.285*, the treasurer or chief officer of each special district in the county, and the chief administrative officer of the urban county at the time he files his recapitulation of property assessed on the tax roll with the department of revenue.

Section 3. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (31-½¢) upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (25¢) upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen cents (15¢) upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen cents (15¢) upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (15¢) upon property which has been certified as a pollution control facility as defined in KRS 224.850, and forty-five cents (45¢) upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half cents (1 ½¢) upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, as defined in KRS 141.205(3), and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value.

(6) Thirty cents (30¢) of the thirty-one and one-half cents (31 ½¢) state tax rate on real property and thirty cents (30¢) of the forty-five cents (45¢) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (30¢), as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By July 1 each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the department shall, when real property assessments *of* [equaling] at least seventy-five percent (75%) of the *total number of counties of the Commonwealth* [estimated total value of the real property assessments] have been certified, make an estimate of the *real property assessments of the* uncertified *counties* [amount] and compute the state tax rate.

(9) In the event that the tax rate set by the department as provided in subsection (8) of this section produces more than a four percent (4%) increase in real property tax revenues, the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.

Section 4. KRS 132.690 is amended to read as follows:

(1) *Each parcel of* [One-half of all] taxable real property or interest therein subject to assessment by the property valuation administrator shall be [physically examined and] revalued during each year of each term of office by the property valuation administrator at its fair cash value in accordance with standards prescribed by the department of revenue *and shall be physically examined no less than once every two (2) years by the property valuation administrator or his assessing personnel.*

(2) The right of any individual to appeal the assessment on his property in any year as provided in KRS 133.120 shall in no way be affected by this section.

(3) Should the property valuation administrator fail to revalue property as required by this section the department of revenue shall have the authority to order an emergency revaluation in the same manner as provided for emergency assessments by KRS 132.660. Any property valuation administrator wilfully violating the provisions of subsection (1) of this section or who refuses to comply with the directions of the department of revenue to correct the assessment shall have his compensation suspended by the department and shall be subject to removal from office as provided by KRS 132.370(4) and shall be subject to the provisions of KRS 132.620 and 61.120.

(4) [In any year in which physical examination and revaluation is not required by subsection (1) of this section the property valuation administrator shall assess all property as provided by KRS 132.420(1) and 132.450(1).

(5)] Nothing in this section shall prohibit action by the department of revenue under the provisions of KRS 133.150 or 132.660 in any year in which the department determines such action to be necessary.

SECTION 5. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

In the event that a special taxing district desires assistance in the area of property tax rate calculation, the state local finance officer may provide such assistance.

Section 6. KRS 160.470 is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the state board of education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the department of revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) *(a)* Notwithstanding any statutory provisions to the contrary, no district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate for 1979-80 which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the maximum general tax rate, voted general tax rate, or voted building tax rate, respectively, that could have been levied in 1978-79, to the 1978-79 assessment, except as provided in KRS 157.565. In succeeding years, no district board of education shall levy a general tax rate, a voted general tax rate, or a voted building tax rate which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year to the preceding year's assessment, except as provided in KRS 157.565.

(b) In the event that an election is held as provided for in KRS 132.017 and the question on the ballot should fail, such failure shall not reduce the ". . .general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year. . .", referred to in subsection (2)(a) of this section, for purposes of computing the general tax rate, voted general tax rate, or voted building tax rate for succeeding years.

In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) No district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate within the limits imposed in subsection (2) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in KRS 157.565, until the district board of education has complied with the provisions of subsection (10) of this section.

(4) The superintendent of public instruction shall certify to each district board of education, by June 30 of each year, the following:

(a) The general tax rate, voted general tax rate, or voted building tax rate that a district board of education could levy under the provisions of subsection (2) of this section, and the amount of revenue expected to be produced by each;

(b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate, voted general tax rate, or voted building tax rate, and the amount of revenue expected to be produced by each;

(c) The general tax rate, voted general tax rate, or voted building tax rate which will produce, respectively, no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property], and the amount of revenue expected to be produced by each.

(5) The net assessment growth and new property determined in accordance with KRS 132.010 and 132.015 shall be certified to the superintendent of public instruction by the department of revenue by June 15 of each year.

(6) Within thirty (30) days after the district board of education has received its assessment data, three (3) copies of the budget shall be forwarded to the state board of education for its approval or disapproval. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(7) The budget shall be disapproved by the state board of education if it is financially unsound or fails to provide for:

(a) Payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the state board of education, or

(b) Payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300 and KRS 58.010 to 58.140, with the written approval of the state board of education, or fails to comply with the law; and the state board of education shall state its reason, or reasons, for such disapproval.

In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval and resubmit the budget to the state board of education for its final approval.

(8) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax-levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective and no ad valorem levy shall be made until approved by the state board of education.

(9) Each district board of education shall, if required by the state board of education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the state board of education, and which shall be consistent in its major divisions with the general school budget previously prepared.

(10) (a) A district board of education proposing to levy a general tax rate, voted general tax rate, or voted building tax rate within the limits of subsection (2) of this section which exceed the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The district board of education shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The general tax rate, voted general tax rate, and voted building tax rate levied in the preceding year, and the revenue produced by those rates;

2. The general tax rate, voted general tax rate, and voted building tax rate proposed for the current year and the revenue expected to be produced by those rates;

3. The compensating general, voted general, and voted building tax rates and the revenue expected from them;

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained herein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for such testimony.

(11)(a) That portion of a general tax rate, a voted general tax rate, or a voted building tax rate, except as provided in KRS 157.565, levied by an action of a district board of education which will produce, respectively, revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property], shall be subject to a recall vote or reconsideration by the district board of education, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate, voted general tax rate, or voted building tax rate, except as provided in KRS 157.565, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property], cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the district board of education has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property] is subject to recall; and

3. The name, address and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 7. KRS 132.017 is amended to read as follows:

(1) (a) That portion of a tax rate levied by an ordinance, order, resolution, or motion of a county fiscal court, district board of education or legislative body of a city, urban-county government or other taxing

district subject to recall as provided for in KRS 68.245, 132.023, 132.027 and 160.470, shall go into effect forty-five (45) days after its passage. If during the forty-five (45) days next following the passage of the order, resolution, or motion a petition signed by a number of registered and qualified voters equal to ten percent (10%) of the voters voting in the last presidential election is presented to the county clerk or his authorized deputy, or to the county fiscal court, district board of education, or legislative body of a city or urban-county government or other taxing district, as the case may be, protesting against passage of the ordinance, order, resolution, or motion, the ordinance, order, resolution, or motion shall be suspended from going into effect until after the election referred to in subsection (2) of this section. If such petition is presented to the county clerk or his authorized deputy, such officer shall immediately notify the presiding officer of the appropriate fiscal court, district board of education, or legislative body of a city or urban-county government or other taxing district, as the case may be. Each sheet of the petition shall contain the names and addresses of voters in but one (1) voting precinct, and each sheet shall state the name, number, or designation of the precinct and, where applicable, the name, designation, or number of the district or ward wherein the precinct is situated. The board or boards of registration in the county shall give necessary and appropriate aid to the county clerk so that such officer may make the conclusive determination of whether the petition contains enough signatures of qualified voters to suspend the effect of the order or resolution.

(b) The county fiscal court, district board of education, or legislative body of a city, urban-county government or other taxing district may cause the cancellation of the election by reconsidering the ordinance, order, resolution, or motion and amending such ordinance, order, resolution, or motion to levy a tax rate which will produce no more revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property. Such action by the county fiscal court, district board of education, legislative body of a city, urban-county government or other taxing district shall be valid only if taken within fifteen (15) days following the date of the presentation of the petition.

(2) (a) In the event an election is necessary under the provisions of subsection (1) of this section, the county fiscal court or legislative body of a city, urban-county government or other taxing district shall cause to be submitted to the voters of the county, district, or urban-county at the next regular election, the question as to whether such property tax rate shall be levied. The question shall be so framed that the voter may by his vote answer "for" or "against." If a majority of the votes cast upon the question oppose its passage, the order, resolution, or motion shall not go into effect. If a majority of the votes cast upon the question favor its passage, the order, resolution, or motion shall go into effect.

(b) In the event an election is necessary for a school district under the provisions of subsection (1) of this section, the district board of education may cause to be submitted to the voters of the district in a called common school election not less than 20 days nor more than 30 days from the date the signatures on the petition are validated by the county clerk, or at the next regular election, at the option of the district board of education, the question as to whether such property tax rate shall be levied. The question shall be so framed that the voter may by his vote answer "for" or "against." If a majority of the votes cast upon the question oppose its passage, the order, resolution, or motion shall not go into effect, *and the property tax rate which will produce four percent (4%) more revenues from real property, exclusive of revenue from new property as defined in KRS 132.010, than the amount of revenue produced by the compensating tax rate defined in KRS 132.010, shall be levied without further approval by the county fiscal court, district board of education, or legislative body of a city, urban-county government or other taxing district, as the case may be.* If a majority of the votes cast upon the question favor its passage, the order, resolution, or motion shall go into effect. The cost of a called common school election shall be borne by the school district causing the election to be held.

Section 8. KRS 132.023 is amended to read as follows:

(1) (a) Notwithstanding any statutory provisions to the contrary, no taxing district, other than the state, counties, school districts, cities and urban-county governments, shall levy a tax rate for 1979-80 which will produce more revenue, exclusive of revenue from net assessment growth, than would be produced by application of the maximum tax rate that could have been levied in 1978-79 to the 1978-79 assessment.

(b) In succeeding years, no taxing district other than the state, counties, school districts, cities and urban-county governments shall levy a tax rate which will produce more revenue, exclusive of revenue from net assessment growth, than would be produced by application of the tax rate that was levied in the preceding year to the preceding year's assessment, except for a taxing district which has been authorized to levy a tax and has not yet levied any such tax rate. In which case, the district can levy a tax rate, the maximum which will not produce more revenue than would have been produced by application of the maximum authorized tax rate in the year authorized to that year's assessments.

(2) No taxing district, other than the state, counties, school districts, cities and urban-county governments, shall levy a tax rate within the limits imposed in subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, until the taxing district has complied with the provisions of subsection (3) of this section.

(3)(a) A taxing district, other than the state, counties, school districts, cities, and urban-county governments, proposing to levy a tax rate within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The taxing district shall advertise the hearing by causing to be published at least twice in two consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;
2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;
3. The compensating tax rate and the revenue expected from it;
4. The revenue expected from new property and personal property;
5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
6. A time and place for the public hearing which shall be held not less than seven (7) days, nor more than ten (10) days, after the day that the second advertisement is published;
7. The purpose of the hearing; and
8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained therein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property in the taxing district, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The taxing district may set reasonable time limits for such testimony.

(4)(a) That portion of a tax rate levied by an action of a tax district, other than the state, counties, school districts, cities and urban-county governments which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property] shall be subject to a recall vote or reconsideration by the taxing district, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The taxing district, other than the state, counties, school districts, cities and urban-county governments shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property], cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the taxing district has adopted such a rate;
2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property] is subject to recall; and
3. The name, address and telephone number of the county clerk of the county in which the taxing district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 9. KRS 132.027 is amended to read as follows:

(1)(a) Notwithstanding any statutory provisions to the contrary, no city or urban-county government shall levy a tax rate for 1979-80 which will produce more revenue, exclusive of revenue from net assessment growth, than would be produced by application of the maximum tax rate that could have been levied in 1978-79 to the 1978-79 assessment.

(b) In succeeding years, no city or urban-county government shall levy a tax rate which will produce more revenue, exclusive of revenue from net assessment growth, than would be produced by application of the tax rate that was levied in the preceding year to the preceding year's assessment.

(2) No city or urban-county government shall levy a tax rate within the limits imposed in subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010 until the city or urban-county government has complied with the provisions of subsection (3) of this section.

(3) (a) Cities or urban-county governments proposing to levy a tax rate within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010 shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The city or urban-county government shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;
2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;
3. The compensating tax rate and the revenue expected from it;
4. The revenue expected from new property and personal property;
5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day the second advertisement is published;
7. The purpose of the hearing; and
8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained therein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property in the taxing district, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The taxing district may set reasonable time limits for such testimony.

(4) (a) That portion of a tax rate levied by an action of a city or urban-county government which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property] shall be subject to a recall vote or reconsideration by the taxing district, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The city or urban-county government shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property], cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the city or urban-county government has adopted such a rate;
2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property] is subject to recall, and
3. The name, address and telephone number of the county clerk of the county or urban-county in which the taxing district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 10. KRS 68.245 is amended to read as follows:

(1) Notwithstanding any statutory provisions to the contrary, no county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced from application of the preceding year's tax rate to the preceding year's assessment. The property valuation administrator shall submit an official estimate of net assessment growth, as determined in accordance with KRS 132.010, to the county judge/executive by April 1 of each year.

(2) No county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits imposed in subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, until the taxing district has complied with the provisions of subsection (5) of this section. The property valuation administrator shall submit an official estimate of new property and personal property, as determined in accordance with KRS 132.010, to the county judge/executive by April 1 of each year.

(3) The state local finance officer shall certify to each county budget commission, by June 30 of each year, the following:

(a) The tax rate that a fiscal court could levy under the provisions of subsection (1) of this section, and the amount of revenue expected to be produced by it;

(b) The compensating tax rate, as defined in KRS 132.010, and the amount of revenue expected to be produced by it;

(c) The tax rate which will produce no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property], and the amount of revenue expected to be produced by it.

(4) The net assessment growth, new property and personal property determined in accordance with KRS 132.010 and 132.015 shall be certified to the state local finance officer by the department of revenue by June 15 of each year.

(5) (a) A county fiscal court, proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) County fiscal courts of counties containing a city of the first class proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold three (3) public hearings to hear comments from the public regarding the proposed tax rate. The hearings shall be held in three (3) separate locations; each location shall be determined by dividing the county into three (3) approximately equal geographic areas, and identifying a suitable facility as near as possible to the geographic center of each area.

(c) The county fiscal court shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;
2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;
3. The compensating tax rate and the revenue expected from it;
4. The revenue expected from new property and personal property;
5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
6. A time and place for the public hearings which shall be held not less than seven (7) days nor more than ten (10) days, after the day that the second advertisement is published;
7. The purpose of the hearing; and
8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained therein.

(d) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(e) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The county fiscal court may set reasonable time limits for such testimony.

(6) (a) That portion of a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, levied by an action of a county fiscal court which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property] shall be subject to a recall vote or reconsideration by the taxing district, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The county fiscal court shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property], cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the county fiscal court has adopted such a rate;
2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 [from real property] is subject to recall; and
3. The name, address and telephone number of the county clerk, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

HB 167, AN ACT relating to income taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 141.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Commissioner" means the commissioner of revenue;

(2) "Department" means the department of revenue;

(3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, 1977, exclusive of any amendments made subsequent to that date;

(4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;

(5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;

(6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;

(7) "Individual" means a natural person;

(8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;

(9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude undistributed income or any losses attributed to shareholders of a corporation which has elected to be taxed under subchapter S of chapter 1 of the Internal Revenue Code;

(c) Exclude income from supplemental annuities provided by the railroad retirement act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;

(d) Include interest income derived from obligations of sister states and political subdivisions thereof;

(10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by section 62 of the Internal Revenue Code and adjusted as follows, except that deductions shall be limited to amount allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Include all overpayments of federal income tax refunded or credited to the taxpayer during the taxable year;

(b) Deduct federal income tax;

(11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus all the deductions allowed individuals by Chapter 1 of the Internal Revenue Code, *Section 162(a) of the Internal Revenue Code as it existed on December 31, 1977* and by Section 214 of the Internal Revenue Code as it existed on December 31, 1975 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) The net operating loss deduction allowed under section 172 of the Internal Revenue Code;

(b) Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;

(c) Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(h);

(d) The deduction for personal exemptions allowed under section 151 of the Internal Revenue Code and any other deductions in lieu thereof;

(12) "Gross income," in the case of corporations, means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude all dividend income received after December 31, 1969;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;

(e) Include in the gross income of lessors income tax payments made by lessees to lessors under the provisions of section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;

(f) Include the amount calculated under KRS 141.205;

(g) Ignore the provisions of section 281 of the Internal Revenue Code in computing gross income;

(13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus all the deductions from gross income allowed corporations by chapter 1 of the Internal Revenue Code, except the following:

(a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;

(b) The deductions contained in sections 172, 243, 244, 245, and 247 of the Internal Revenue Code;

(c) The provisions of section 281 of the Internal Revenue Code shall be ignored in computing net income;

(d) Any deduction directly or indirectly allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter, and nothing in this chapter shall be construed to permit the same item to be deducted more than once;

(14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income" as defined in subsection (13) of this section;

(b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120; and

(c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;

(15) "Person" means "person" as defined in section 7701(a)(1) of the Internal Revenue Code;

(16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the commissioner, "taxable year" means the period for which such return is made;

(17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than 183 days of the taxable year in this state;

(18) "Nonresident" means any individual not a resident of this state;

(19) "Employer" means "employer" as defined in section 3401(d) of the Internal Revenue Code;

(20) "Employe" means "employe" as defined in section 3401(c) of the Internal Revenue Code;

(21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;

(22) "Wages" means "wages" as defined in section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), and (q) of the Internal Revenue Code;

(23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;

(24) "Corporations" means "corporations" as defined in section 7701(a)(3) of the Internal Revenue Code.

The Committee on Appropriations and Revenue reported **HB 146,** with Second Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Second Committee Substitute to **HB 146** is as follows:

Second Committee Substitute to **HB 146,** AN ACT relating to property taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.015 is amended to read as follows:

The property valuation administrator shall maintain lists of all real property additions and real property deletions to the property tax rolls for the county or urban county, and each city, school district and special district in the county or urban county, and shall certify such lists to the department of revenue, the state local finance officer, the city clerk of each city in the county, the treasurer or chief officer of each special district in the county, and the chief administrative officer of the urban county at the time he files his recapitulation of *real* property assessed on the tax roll with the department of revenue *as required in KRS 133.040.*

Section 2. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half (31-½) cents upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five (25) cents upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen (15) cents upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen (15) cents upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen (15) cents upon property which has been certified as a pollution control facility as defined in KRS 224.850, and forty-five (45) cents upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half (1 ½) cents upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, as defined in KRS 141.205(3), and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value.

(6) Thirty (30) cents of the thirty-one and one-half (31 ½) cents state tax rate on real property and thirty (30) cents of the forty-five (45) cents state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty (30) cents, as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By *the first Monday in June* [July 1] each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by *the first Monday in June* [July 1], the department shall, when real property assessments *of* [equaling] at least seventy-five percent (75%) of the *total number of counties of the Commonwealth* [estimated total value of the real property assessments] have been certified, make an estimate of the *real property assessments of the* uncertified *counties* [amount] and compute the state tax rate.

(9) In the event that the tax rate set by the department as provided in subsection (8) of this section produces more than a four percent (4%) increase in real property tax revenues, the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.

Section 3. KRS 133.030 is amended to read as follows:

(1) The county board of assessment appeals shall convene at the county seat on the *first* [second] Monday in *May* [June] in each year; except that no meeting shall be held until the tax roll has been completed and the inspection period has been held as provided by law, or until revaluation of the property has been completed by the property valuation administrator at the direction of the department of revenue as provided by KRS 132.690 or by the department itself as provided by KRS 133.150. All records of the property valuation administrator, including all data concerning property sales within the preceding year, shall be available to the board while meeting.

(2) The first regular meeting day of the board shall be devoted to a review of the appeals filed with the county clerk as clerk of the board, including a review of recent sales of comparable properties provided in accordance with the provisions of subsection (1) of this section, and an inspection of the properties involved in the appeals when in the opinion of the board such inspection will assist in the proper determination of fair cash value.

(3) The board of assessment appeals shall continue in session only such time as is necessary to hear appeals. The board shall not continue in session more than one (1) day if there are no appeals to be heard nor more than five (5) days after it convenes in each year, unless an extension of time is authorized by the department of revenue upon request of the county judge/executive. Each board member shall be paid not less than ten (10) nor more than twenty-five dollars ($25.00) for each day he serves, the amount to be fixed by order of the fiscal court annually prior to May 1. This compensation shall be paid one-half (½) out of the county levy and the other half out of the state treasury.

(4) Members of temporary panels of the board shall serve at the pleasure of the county judge/executive, Provided however, That their appointment shall be limited to the time necessary for hearing appeals but in no case more than five (5) days except upon approval of an extension of time by the department of revenue. Compensation of panel members shall be in the same manner and at the same rate as provided for members of the board.

Section 4. KRS 133.040 is amended to read as follows:

(1) On or before the second Monday in March, the property valuation administrator shall submit to the department of revenue, on forms provided by the department, a recapitulation of all real property assessed in his county. Such recapitulation shall show the assessment of real property by classification of real property and by taxing district. Within thirty (30) calendar days after receiving the recapitulation, the department of revenue shall direct the property valuation administrator to make any changes that are necessary to correct the real property assessment.

(2) The property valuation administrator shall complete the tax roll of all property in his county before *April 1* [the first Monday in May] of each year in accordance with law, and on or before that date he shall file with the department of revenue, on blanks to be forwarded by the department, a recapitulation of all property assessed on said tax roll with his official certificate attached thereto. Such recapitulation shall show the assessment of property by types of property and by taxing districts. The property valuation administrator shall file with the department of revenue at the same time the schedules containing a list of the intangible personal property. Within thirty (30) calendar days after receiving the recapitulation the department of revenue shall direct the property valuation administrator to make any changes that are necessary to correct the assessment. The department of revenue shall preserve all recapitulations and schedules or a photographic facsimile thereof for a period of seven (7) years from the assessment date.

(3) At the time the property valuation administrator submits his real estate recapitulation and his total property recapitulation to the department he shall submit a copy of the recapitulations to the city clerk of each city in the county using the property valuation administrator's tax roll, the county judge/executive in each county, the treasurer or chief officer of each special district in the county, the chief administrative officer of the urban county and the superintendent of each local school district in his county.

Section 5. KRS 133.045 is amended to read as follows:

(1) The tax roll shall be open for inspection in the property valuation administrator's office for *twelve (12)* [five (5)] days beginning on the *second* [first] Monday in *April* [June] of each year *and shall be open*

for inspection for six (6) days each week one (1) of which shall be Saturday. In case of necessity, the department of revenue may order a reasonable extension of time for the inspection period of the tax roll or it may order that the inspection period be at a different time than that provided herein.

(2) The property valuation administrator shall cause to be published once during the week before the beginning of inspection period, as provided in subsection (1) of this section, in a display type advertisement, the following information:

(a) The fact that the tax roll is open for public inspection;

(b) The dates of the inspection period;

(c) The times available for public review of the tax roll; and

(d) Instructions which provide details on the manner in which a taxpayer may file an appeal, if he is aggrieved by an assessment made by the property valuation administrator.

[The property valuation administrator shall publish pursuant to KRS chapter 424, a notice as to the time of the inspection period.] The cost of such notice shall be paid by the fiscal court of the county. Such notice shall also be posted at the courthouse door. Failure to publish or post notices when the inspection period is at the regular time as provided in this section shall not invalidate assessments made by the property valuation administrator and recorded on the tax roll prior to the inspection period.

(3)[(2)] The tax roll shall be available to the public at reasonable times, other than that provided in subsection (1), and in a manner not unduly interfering with proper operation of the custodian's office and so long as the inspection of the roll or disclosure of information contained therein would not be detrimental to public interest or used for commercial or business purposes unrelated to property valuation and assessment.

Section 6. KRS 133.120 is amended to read as follows:

(1) Any taxpayer aggrieved by an assessment made by the property valuation administrator may appeal to the board of assessment appeals. *The taxpayer shall appeal his assessment by filing in person or sending* [, however, no appeals shall be accepted by the board of assessment unless] a letter or other written petition stating the reasons for appeal, identifying the property for which the appeal is filed and stating the taxpayer's opinion of the fair cash value of the property *with or to* [, shall be filed with] the county clerk within the *twelve* [five]-day period in which the inspection period [is held]. The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the department of revenue, county judge/executive, mayor of any city using the county assessment or the superintendent of any school district in which the property is located, provided, such recommendation is made to the board in writing specifying the individual properties recommended for review. If the board of assessment appeals determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by subsection (4) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase. Any property owner who has listed his property with the property valuation administrator at its fair cash value, likewise may ask the county board of assessment appeals to review the assessments of properties he believes to be assessed at less than fair cash value, providing, he specifies, in writing the individual properties for which the review is sought and factual information upon which his request is based; such as, comparable sales or cost data. Nothing in this section shall be construed as granting any property owner the right to request a blanket review of properties or the board the power to conduct such a review.

(2) The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection (1) of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value. The board shall report to the property valuation administrator any property omitted from the tax roll. The property valuation administrator shall assess such property and immediately give notice to the taxpayer in the manner required by KRS 132.450(4), specifying a date when the board of assessment appeals will hear the taxpayer, if he so desires, in protest of the action of the property valuation administrator.

(3) The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.

(4) The powers of the board of assessment appeals shall be limited to those specifically granted by this section.

(5) No appeal under this section shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county and district taxes due on the valuation which he claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal, the court or the Kentucky board of tax appeals shall certify the valuation to the county clerk and the taxpayer shall be billed for any additional tax and six percent (6%) interest from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to such tax bill.

(6) Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky board of tax appeals.

(7) It shall be the duty of the county attorney to represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. In the event the county attorney is unable to represent the state and county, he or the fiscal court shall arrange for substitute representation.

Section 7. KRS 133.125 is amended to read as follows:

(1) The county clerk, or an authorized deputy, shall act as clerk of the board of assessment appeals; and where additional board panels are appointed, as provided by law, one (1) authorized deputy shall act as clerk for each panel. An accurate record of the proceedings and orders of the board and of each of its authorized panels shall be kept and shall show the name of the owner of the property, the description, the type of property, the amount of the assessment the property valuation administrator placed on the property, and the amount of change made in the assessment by the board. A copy certified by the chairman of the board and attested by the county clerk shall be filed by the clerk with the property valuation administrator and with the department of revenue within five (5) days after the adjournment of the board.

(2) After receipt of the clerk's certification of the action of the board of assessment appeals, the property valuation administrator shall complete his rolls by adding to them all listings and assessments which he may have made after the rolls were open for inspection as provided in KRS 133.045 and making all adjustments ordered by the board, and he shall turn the rolls over to the clerk within ten (10) days after the board adjourns. Whereupon the clerk shall make a recapitulation of the assessment by taxing districts and types of property and shall submit such recapitulation to the department of revenue not later than *the third Monday in May* [June 20] unless the time is extended by the department.

(3) The county clerk shall certify to the county judge/executive the number of days during which the board was in session, and the court shall enter this fact of record along with the amount due the board members for their services. On a presentation of a copy of the order, the executive department for finance and administration shall draw a warrant on the state treasurer in favor of the board members and clerk for the amount due for their services.

(4) The county clerk and any authorized deputies serving as clerk of the board or a panel thereof shall be allowed the same compensation per day for their services as is allowed to members of the board of their county, and they shall be paid in the same manner as members of the board are paid. The county clerk and his authorized deputies shall be allowed compensation for completing and filing the record of the board and for preparing the recapitulation in the same manner as allowed for their services while acting as clerk of the board or clerk of a panel of the board.

(5) The county clerk shall not permit property valuation assessments listed on the property tax roll to be amended after the recapitulation is submitted to the department of revenue.

Section 8. KRS 160.470 is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the state board of education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the department of revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) Notwithstanding any statutory provisions to the contrary, no district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate for 1979-80 which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the maximum general tax rate, voted general tax rate, or voted building tax rate, respectively, that could have been levied in 1978-79, to the 1978-79 assessment, except as provided in KRS 157.565. In succeeding years, no district board of education shall levy a general tax rate, a voted general tax rate, or a voted building tax rate which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year to the preceding year's assessment, except as provided in KRS 157.565. In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) No district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate within the limits imposed in subsection (2) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in KRS 157.565, until the district board of education has complied with the provisions of subsection (10) of this section.

(4) The superintendent of public instruction shall certify to each district board of education, by *the second Monday in* June [30] of each year, the following:

(a) The general tax rate, voted general tax rate, or voted building tax rate that a district board of education could levy under the provisions of subsection (2) of this section, and the amount of revenue expected to be produced by each;

(b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate, voted general tax rate, or voted building tax rate, and the amount of revenue expected to be produced by each;

(c) The general tax rate, voted general tax rate, or voted building tax rate which will produce, respectively, no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, and the amount of revenue expected to be produced by each.

(5) *The department of revenue shall submit to the superintendent of public instruction, by the first Monday in June of each year, certified property assessment data as required in KRS 133.125.* [The net assessment growth and new property determined in accordance with KRS 132.010 and 132.015 shall be certified to the superintendent of public instruction by the department of revenue by June 15 of each year.]

(6) Within thirty (30) days after the district board of education has received its assessment data, three (3) copies of the budget shall be forwarded to the state board of education for its approval or disapproval. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(7) The budget shall be disapproved by the state board of education if it is financially unsound or fails to provide for:

(a) Payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the state board of education, or

(b) Payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300 and KRS 58.010 to 58.140, with the written approval of the state board of education, or fails to comply with the law; and the state board of education shall state its reason, or reasons, for such disapproval.

In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval and resubmit the budget to the state board of education for its final approval.

(8) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax-levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective and no ad valorem levy shall be made until approved by the state board of education.

(9) Each district board of education shall, if required by the state board of education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the state board of education, and which shall be consistent in its major divisions with the general school budget previously prepared.

(10) (a) A district board of education proposing to levy a general tax rate, voted general tax rate, or voted building tax rate within the limits of subsection (2) of this section which exceed the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The district board of education shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The general tax rate, voted general tax rate, and voted building tax rate levied in the preceding year, and the revenue produced by those rates;

2. The general tax rate, voted general tax rate, and voted building tax rate proposed for the current year and the revenue expected to be produced by those rates;

3. The compensating general, voted general, and voted building tax rates and the revenue expected from them;

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained herein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for such testimony.

(11)(a) That portion of a general tax rate, a voted general tax rate, or a voted building tax rate, except as provided in KRS 157.565, levied by an action of a district board of education which will produce, respectively, revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, shall be subject to a recall vote or reconsideration by the district board of education, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate, voted general tax rate, or voted building tax rate, except as provided in KRS 157.565, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the district board of education has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property is subject to recall; and

3. The name, address and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 9. KRS 68.245 is amended to read as follows:

(1) Notwithstanding any statutory provisions to the contrary, no county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced from application of the preceding year's tax rate to the preceding year's assessment. The property valuation administrator shall submit an official estimate of *real and personal property and new property assessment as defined in* [net assessment growth, as determined in accordance with] KRS 132.010, to the county judge/executive by April 1 of each year.

(2) No county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits imposed in subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, until the taxing district has complied with the provisions of subsection (5) of this section. [The property valuation administrator shall submit an official estimate of new property and personal property, as determined in accordance with KRS 132.010, to the county judge/executive by April 1 of each year.]

(3) The state local finance officer shall certify to each county budget commission, by *the second Monday in* June [30] of each year, the following:

(a) The tax rate that a fiscal court could levy under the provisions of subsection (1) of this section, and the amount of revenue expected to be produced by it;

(b) The compensating tax rate, as defined in KRS 132.010, and the amount of revenue expected to be produced by it;

(c) The tax rate which will produce no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, and the amount of revenue expected to be produced by it.

(4) *Real and personal property assessment and* [The net assessment growth,] new property [and personal property] determined in accordance with KRS 132.010 [and 132.015] shall be certified to the state local finance officer by the department of revenue by *the first Monday in* June [15] of each year.

(5) (a) A county fiscal court, proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable

for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) County fiscal courts of counties containing a city of the first class proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, within the limits of subsection (1) of this section which exceeds the compensating tax rate defined in KRS 132.010, shall hold three (3) public hearings to hear comments from the public regarding the proposed tax rate. The hearings shall be held in three (3) separate locations; each location shall be determined by dividing the county into three (3) approximately equal geographic areas, and identifying a suitable facility as near as possible to the geographic center of each area.

(c) The county fiscal court shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;
2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;
3. The compensating tax rate and the revenue expected from it;
4. The revenue expected from new property and personal property;
5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
6. A time and place for the public hearings which shall be held not less than seven (7) days nor more than ten (10) days, after the day that the second advertisement is published;
7. The purpose of the hearing; and
8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained therein.

(d) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(e) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The county fiscal court may set reasonable time-limits for such testimony.

(6) (a) That portion of a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, levied by an action of a county fiscal court which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property shall be subject to a recall vote or reconsideration by the taxing district, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The county fiscal court shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of any such county, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the county fiscal court has adopted such a rate;
2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property is subject to recall; and
3. The name, address and telephone number of the county clerk, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 10. KRS 133.250 is amended to read as follows:

(1) The department of revenue shall conduct sales-assessment ratio studies for each county and shall submit such a ratio to each property valuation administrator by September 1 of each year or within thirty (30) days of submission of the property valuation administrator's final recapitulation to the department as provided for in KRS 133.125, whichever date is earlier.

(2) The property valuation administrator shall begin revaluation of property in his county, in preparation for the following year's property assessment, immediately following submission of the final recapitulation to the department of revenue as provided for in KRS 133.125.

(3) *By the 2nd Monday in March each year, the property valuation administrator shall serve notice on any taxpayer whose real property assessment has been increased over the value at which it was assessed*

the previous year. The notice shall be given by first-class mail or as provided in the Kentucky Rules of Civil Procedure. Included in each notice shall be an explanation of the appeals process for taxpayer's aggrieved by the assessment of their property as provided in KRS 133.120.

(4) By January *15* [30] of each year, the department of revenue shall cause to be published in the newspaper of largest circulation in each county, a listing of the *percentage of fair cash value attainment* [level of assessment for every county for the prior tax year] of real property *assessments* [expressed as a percentage of fair cash value,] as calculated by sales-assessment ratio studies which shall be conducted by the department of revenue.

The Committee on Energy reported **HJR 8** with Committee Substitute attached thereto, and **HCR 9** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HJR 8, A JOINT RESOLUTION requiring that Kentucky industries convert to coal wherever possible, that state facilities use coal, and that the state test innovative boiler designs in state-owned facilities.

WHEREAS, the United States today faces grave energy shortages although we have massive coal reserves; and

WHEREAS, energy shortages have resulted from dependence on petroleum and natural gas, fuels which are less abundant in this country than coal; and

WHEREAS, despite these shortages, many facilities which were built to burn coal have been converted to burn oil or gas, and new facilities which could efficiently burn coal continue to be built for other fossil fuels; and

WHEREAS, despite much rhetoric from national leaders in support of coal use and despite federal legislation to require large industries to convert to coal, in reality little has been done to effectively replace imported oil with domestic coal;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That Kentucky industries use coal for boiler fuel wherever possible. The provisions for coal use in large industrial boilers, contained in the Federal Powerplant and Industrial Fuel Use Act of 1978, also shall be followed for industrial boilers smaller than 100 million BTU per hour located or planned in Kentucky. Oil or gas boilers which can convert to coal, coal mixtures or derivatives, shall do so. New facilities shall be designed to burn coal or coal products efficiently and cleanly. New facilities shall not be designed for petroleum or natural gas unless compelling circumstances prohibit coal use. These provisions apply to all industrial boilers with a rated capacity greater than 5 million BTU per hour.

Section 2. That state-owned boilers utilize coal wherever possible, and that the state utilize and test innovative coal-fired boiler designs in state facilities to help develop clean, efficient medium-sized units compatible with environmental requirements.

Section 3. That the text of this resolution be published in the newsletter of the development cabinet, which also shall work with industry associations to notify Kentucky firms of the resolution.

The Committee Substitute to **HJR 8** is as follows:

Committee Substitute to **HJR 8,** A JOINT RESOLUTION requiring that Kentucky industries convert to coal wherever possible, that state facilities use coal, and that the state test innovative boiler designs in state-owned facilities.

WHEREAS, the United States today faces grave energy shortages although we have massive coal reserves; and

WHEREAS, energy shortages have resulted from dependence on petroleum and natural gas, fuels which are less abundant in this country than coal; and

WHEREAS, despite these shortages, many facilities which were built to burn coal have been converted to burn oil or gas, and new facilities which could efficiently burn coal continue to be built for other fossil fuels; and

WHEREAS, despite much rhetoric from national leaders in support of coal use and despite federal legislation to require large industries to convert to coal, in reality little has been done to effectively replace imported oil with domestic coal;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That Kentucky industries use coal for boiler fuel wherever feasible. The provisions for coal use in large industrial boilers, contained in the Federal Powerplant and Industrial Fuel Use Act of 1978, also shall be followed for industrial boilers smaller than 100 million BTU per hour planned in Kentucky. Oil or gas boilers which can convert to coal, coal mixtures or derivatives, shall do so wherever feasible. New facilities shall be designed to burn coal or coal products efficiently and cleanly. New facilities shall not be designed for petroleum or natural gas unless compelling circumstances prohibit coal use. These provisions apply to all industrial boilers with a rated capacity greater than 5 million BTU per hour.

Section 2. That state-owned boilers utilize coal wherever possible, and that the state utilize and test innovative coal-fired boiler designs in state facilities to help develop clean, efficient medium-sized units compatible with environmental requirements.

Section 3. That the text of this resolution be published in the newsletter of the development cabinet, which also shall work with industry associations to notify Kentucky firms of the resolution.

HCR 9, A CONCURRENT RESOLUTION urging the United States Congress to move forcefully to insure utilities and manufacturing plants not using coal convert as soon as possible.

WHEREAS, this nation has experienced and continues to experience periodic energy shortages; and

WHEREAS, this nation has committed itself to reducing its growing dependence on foreign sources of energy; and

WHEREAS, this nation's economy is dependent on becoming more energy self-sufficient; and

WHEREAS, this state and the nation has vast resources of coal which can be substituted for imported oil in order to ease the current fuel dilemma; and

WHEREAS, stockpiles of coal continue to mount and coal mines are closing at a time when this nation should be relying more on its own energy resources;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the United States Congress move forcefully to insure that utilities and manufacturing plants not using coal convert as soon as possible.

Section 2. That a copy of this resolution be sent to the members of the Kentucky Congressional Delegation.

The Committee on State Government reported **HJR 15, HB 265,** and **HB 123,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HJR 15, A JOINT RESOLUTION relating to an investigation of personal service contracts and declaring an emergency.

WHEREAS, personal service contracts CT 67401 and CT 80828 between the Department of Library and Archives and Library Interface Systems, Inc. were reviewed and objected to by the Personal Service Contract Review Subcommittee of the Legislative Research Commission, which subcommittee recommended their cancellation; and

WHEREAS, said contracts were awarded and continued by the Department of Library and Archives in spite of the Subcommittee's objections; and

WHEREAS, a partial payment was made to Library Interface Systems, Inc., prior to the performance of services under contract CT 67401, an act interpreted as contrary to state constitutional and statutory law in Opinion of the Attorney General 79-448; and

WHEREAS, the contracts appear to represent only a part of the costs that would be necessitated by implementation of the system stipulated in the contracts; and

WHEREAS, major questions remain to be answered concerning the need for the contracts and the acceptability of the contract services to major libraries that would be asked to utilize the services; and

WHEREAS, it is a proper function of the General Assembly to investigate matters pertaining to the proper and prudent use of public funds;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That there is created a Special Joint Investigating Committee of the General Assembly, comprised of the members of the Personal Service Contract Review Subcommittee established by KRS 45.715, for the purpose of conducting a thorough investigation of personal service contracts Nos. CT 67401 and CT 80828 between the Department of Library and Archives and Library Interface Systems, Inc.

Section 2. That the Special Joint Investigating Committee, or any member thereof duly authorized by the committee, may require information on oath of any person touching any matter relating to said contracts and shall have the power to subpoena witnesses and records for such purpose and otherwise compel the giving of evidence on any matter within the scope of the investigation. If any person fails or refuses to testify or furnish documentary evidence concerning any matter under investigation by the committee, the committee may institute proceedings pursuant to KRS 6.080 to 6.131, or the committee may apply to the Franklin Circuit Court which, on application of the committee, may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the circuit court or a refusal to testify therein.

Section 3. That witnesses subpoenaed by the committee shall receive no compensation, but a witness who resides in a county other than that to which he is subpoenaed shall be allowed the same mileage allowed state employes under KRS 44.060.

Section 4. That the Special Joint Investigating Committee shall conduct and conclude its investigation and shall report its findings to the House of Representatives and the Senate prior to *sine die* adjournment of the 1980 Regular Session of the General Assembly.

Section 5. That whereas, the investigation required by this Resolution must be completed during the current Session of the General Assembly, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

HB 265, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.635 is amended to read as follows:

(1) Each member shall have the right to elect to have his retirement allowance payable under any one (1) of the options set forth in this section in lieu of the retirement allowance otherwise payable to him upon retirement under any of the provisions of KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852. The amount of any such optional retirement allowance shall be actuarially equivalent to the amount of retirement allowance otherwise payable to him.

(2) Survivorship one hundred percent (100%). The member may elect to receive a decreased retirement allowance during his lifetime and have such retirement allowance continued after his death to his beneficiary during the lifetime of such person.

(3) Survivorship sixty-six and two-thirds percent (66 ⅔%). The member may elect to receive a decreased retirement allowance during his lifetime and have two-thirds (⅔) of such retirement allowance continue after his death to his beneficiary during the lifetime of such person.

(4) Survivorship fifty percent (50%). The member may elect to receive a decreased retirement allowance during his lifetime and have one-half (½) of such retirement allowance continued after his death to his beneficiary during the lifetime of such person.

(5) Life with ten (10) years certain. The member may elect to receive a monthly retirement allowance during his lifetime which shall guarantee payments for one hundred and twenty (120) months. If the member should become deceased before receiving payments for one hundred and twenty (120) months, his beneficiary shall receive the remaining payments monthly for the duration of the one hundred and twenty (120) months period, except if the estate is designated as beneficiary the executor or administrator of the estate may elect to receive a lump sum payment which shall be the actuarial equivalent to the remaining payments, or said executor or administrator may elect to continue the remaining monthly payments to the estate of the member.

(6) Social security adjustment options. These options are available to any member who has not attained age 62 as follows:

(a) No survivor rights. The member may elect to receive an increased retirement allowance from his effective retirement date through the month he attains age sixty-two (62) at which time his retirement allowance shall be decreased for the remainder of his lifetime.

(b) Survivor rights. The member may elect to receive an increased retirement allowance from his effective retirement date through the month he attains age sixty-two (62) based on the option payable under subsection (2) of this section, provided the retirement allowance shall be decreased in the month following the month he attains age sixty-two (62), or the month following the month he would have attained age sixty-two (62), in event of his death, and have such retirement allowance continue after his death to his beneficiary during the lifetime of such person.

(7) Partial deferred. The member may elect to receive during his lifetime a decreased retirement allowance, as determined by the member, from his effective retirement date through the month he attains age sixty-two (62), with an increased retirement allowance thereafter provided, however, that the member has one election to increase his allowance prior to attainment of age sixty-two (62) on any annual anniversary date prior to attaining age sixty-two (62).

(8) In addition to the optional forms of annuities permitted under this section the board may establish such additional optional forms of annuities as it deems desirable. Such additional forms of annuities shall be based on actuarial equivalent values, with due regard to selection against the fund.

(9) The other provisions of this section notwithstanding, the beneficiary of a retired member of the general assembly shall, after the member's death, receive sixty-six and two-thirds percent (66 ⅔%) of the member's retirement allowance during his or her lifetime. The retirement allowance of the retired member of the general assembly shall not be actuarially reduced to provide for this survivor benefit.

Section 2. KRS 61.560 is amended to read as follows:

(1) Each employe shall, commencing on July 1, *1980* [1966], contribute for each pay period for which he receives compensation four per cent (4%) of his creditable compensation, *except that members of the general assembly shall contribute six and six tenths percent (6.6%) of creditable compensation.*

(2) Each employer shall cause to be deducted from the creditable compensation of each employe for each and every payroll period the contribution payable by each such employe as provided in KRS 61.510 to 61.692.

(3) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any employe shall be reduced thereby. Every employe shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation less such deductions shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 61.510 to 61.692.

HB 123, AN ACT relating to administrative regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 13.085 is amended to read as follows:

(1) Except as provided in subsection (2) of this section no regulation made by any administrative body after July 1, 1974, shall become effective until after an original and five duplicate copies of the regulation are forwarded to the office of the legislative research commission, and:

(a) The proposed regulation has been published in the Administrative Register as required by KRS 13.096: and

(b) A public hearing is held, if requested, by a person having an interest in the subject matter, within thirty (30) days following publication of proposed regulation, as provided by subsection (4) of this section: Provided, however, That if no public hearing is requested within thirty (30) days of publication the regulation shall be submitted to the administrative regulation review subcommittee; and

(c) The proposed regulation has been reviewed by the administrative regulation review subcommittee as required by KRS 13.087; and

(d) The proposed regulation is reviewed *and approved* by the appropriate interim or standing committees of the general assembly, *as* [if] required by KRS 13.087.

(2) The requirements of subsection (1) of this section shall not apply when the administrative body finds that an emergency exists, and the governor issues an executive order that the regulation become effective immediately upon being filed in the office of the legislative research commission. A regulation so filed shall expire at the end of 120 days, during which time the proposed regulation may be processed in accordance with this section if the administrative body desires it to become permanent. The general assembly hereby declares that it is the state policy that emergencies are held to a minimum.

(3) Each proposed regulation submitted to the legislative research commission shall include a citation of the authority pursuant to which it, or any part of it, was adopted, a brief statement which sets forth the necessity for issuing the regulation, a summary of the functions sought to be implemented by the regulation, and the place and manner in which interested persons may present their views.

(4) If within thirty (30) days following publication of the text of a proposed regulation a request is received by the administrative body from a person having an interest in the subject matter of the regulation

to offer comment upon the proposed regulation, the administrative body shall fix a date, time and place for a hearing, open to the public, on the proposed regulation. Every hearing shall be conducted in such a manner so as to guarantee each person who wishes to offer comment a fair and reasonable opportunity to do so; Provided, However, every hearing shall be conducted so as to be completed within sixty (60) days from the date the proposed regulation was first published in the administrative register. No transcript need be taken of the hearing unless a written request for a transcript is made in which case the person requesting the transcript shall have the responsibility of paying for same. Following the hearing the administrative body shall give affirmative consideration to all written and oral statements submitted regarding the proposed regulation. The administrative body shall then forward to the legislative research commission a copy of the regulation as originally published in the register accompanied by a statement indicating whether any changes have been made in the original wording and by a statement summarizing the comments submitted to the administrative body at the hearing.

(5) The legislative research commission shall cause to be endorsed on the original and duplicate copies of each regulation submitted the time and date of the filing thereof and shall maintain a file of such regulations for public inspection, with suitable indexes.

Section 2. KRS 13.087 is amended to read as follows:

(1) There is hereby created a permanent subcommittee of the legislative research commission to be known as the administrative regulation review subcommittee. The subcommittee shall be composed of three (3) members, no more than two (2) of whom shall be members of the same political party. The legislative research commission shall appoint from the membership of the general assembly, the members of the subcommittee for terms of two (2) years, and the members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly scheduled meeting after the occurrence of the vacancy.

(2) The subcommittee shall meet monthly at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings, as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).

(4) Prior to filing, all regulations shall be submitted to the administrative regulation review subcommittee to determine if the regulation conforms to the statutory authority under which it was promulgated and if it carries out the legislative intent of the statutory authority under which it was promulgated. The *subcommittee shall transmit the proposed regulation within thirty (30) days to the standing committees of the house of representatives and the senate or to the interim committee with appropriate jurisdiction, together with a written notation specifying whether it (a) recommends adoption of the proposed regulation, (b) objects to adoption of said regulation, in which case the subcommittee shall include its reasons for objection, or (c) neither recommends nor objects to adoption of the proposed regulation* [subcommittee's finding that a regulation does not conform to the statutory authority or carry out the legislative intent shall be reported to the promulgating administrative body and to the director of the legislative research commission. In the event the subcommittee determines that a regulation, other than an emergency filing approved by the governor, does not conform to the statutory authority, or does not coincide with the legislative intent, the subcommittee shall attach to the regulation a written notation of its objection, including a statement of the reasons therefor, and shall return the regulation to the promulgating administrative body]. Notice of *the subcommittee's actions* [such objection] shall be given [by the subcommittee] to the director of the legislative research commission. [The subcommittee shall act on a regulation submitted to the legislative research commission within thirty (30) days of the submission of the regulation.]

(5) [The promulgating administrative body may revise a regulation to comply with the subcommittee's objections, and may return the revised regulation to the subcommittee, or it may return the regulation, with the subcommittee's notation attached, without change. The legislative research commission shall immediately accept a regulation as filed if it is not objected to by the subcommittee.

(6) In the event an administrative body returns a regulation, objected to by the subcommittee, to the legislative research commission without change, the regulation shall be referred by the director to the standing committee of the house of representatives and senate or to the interim committee with appropriate jurisdiction as determined by the rules of the house and senate then in effect or in effect during the most recent session of the general assembly.] The standing committees of the house and senate or the interim committee to which a regulation is referred under this section shall review the regulation *to determine* [in the same manner as did the administrative regulation review subcommittee and shall not expand their review beyond determining] whether the regulation conforms to the statutory authority under which it was promulgated and whether the regulation carries out the legislative intent of the statute it seeks to implement. In the event *a* [the] standing committee of the house *or* [and] senate or the interim committee determines that a regulation does not conform to the statutory authority under which it was promulgated, or does not coincide with the legislative intent of the statute it seeks to implement, the standing *committee* [committees] or the interim committee shall attach to the regulation a written notation of its objection, including a statement

of the reasons therefor, and [the director] shall return the regulation to the promulgating administrative body. Notice of such objection shall be given by the standing *committee* [committees] or by the interim committee to the director of the legislative research commission. The standing committees or interim committee shall act on a regulation submitted in accordance with this section within *sixty (60)* [thirty (30)] days of the date the *subcommittee transmits* [administrative body returns] the regulation[; provided, however, if there are no authorized meetings of the standing committees or the interim committee within such thirty (30) day period, the legislative research commission shall take action on the returned regulation in the same manner herein described at its next regularly scheduled meeting].

(6)[(7)] The promulgating administrative body may revise a regulation to comply with the [subcommittee's interim or standing committee's] objections *of the standing committee(s) or interim committee*, and may return the revised regulation to *the interim committee or both standing committees for approval*, [said subcommittee or committee,] or may return the regulation with the [subcommittee's] interim or standing committee's notation attached, without change. *If a revised regulation is returned to the standing committees or interim committee, such committees or committee shall act on the revised regulation within sixty (60) days of the date the administrative body returns the revised regulation.* [The legislative research commission shall immediately accept the regulation as filed.]

(7)[(8)] The subcommittee shall report monthly to the legislative research commission all action taken on administrative bodies' regulations. The director of the legislative research commission shall report to the commission all action taken by the standing committee or by the interim committee.

(8)[(9)] All regulations objected to by [the subcommittee and by the] *a* standing [committees] or interim committee and not revised by the promulgating administrative body *and approved by the interim committee or standing committees*, together with the notations of the [subcommittee's and the] standing committee's or interim committee's objection, shall be transmitted by the director to the clerk of the senate and the clerk of the house of representatives on or before the first day of each regular session of the general assembly. The clerk of the senate and the clerk of the house of representatives shall lay all regulations so transmitted before the senate and the house of representatives, respectively, for such action as the respective legislative bodies may determine to be appropriate. *No proposed regulation, objected to by a standing committee or interim committee, unless revised by the promulgating administrative body and approved by the interim or standing committees, shall become effective unless:*

(a) The general assembly in regular session shall approve the proposed regulation, or

(b) The general assembly shall adjourn sine die without having considered the regulation,

in which cases the regulation shall immediately be accepted by the legislative research commission as filed.

The Committee Substitute to **HB 123** is as follows:

Committee Substitute to **HB 123**; AN ACT relating to administrative regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 13.085 is amended to read as follows:

(1) Except as provided in subsection (2) of this section no regulation made by any administrative body after *the effective date of this Act* [July 1, 1974,] shall become effective until after an original and five duplicate copies of the regulation are forwarded to the office of the legislative research commission, and:

(a) The proposed regulation has been published in the Administrative Register as required by KRS 13.096; and

(b) A public hearing is held, if requested, by a person having an interest in the subject matter, within thirty (30) days following publication of proposed regulation, as provided by subsection (4) of this section; Provided, however, That if no public hearing is requested within thirty (30) days of publication the regulation shall be submitted to the administrative regulation review subcommittee; and

(c) The proposed regulation has been reviewed *and accepted* by the administrative regulation review subcommittee as required by KRS 13.087; *or* [and]

(d) The proposed regulation is reviewed *and accepted* by the appropriate interim *committee* [or standing committees of the general assembly], if required by KRS 13.087; *or*

(e) The proposed regulation is placed before and not disapproved by the general assembly, if required by KRS 13.087.

(2) The requirements of subsection (1) of this section shall not apply when the administrative body finds that an emergency exists, and the governor issues an executive order that the regulation become effective immediately upon being filed in the office of the legislative research commission. A regulation so filed shall expire at the end of 120 days, during which time the proposed regulation may be processed in accordance

with this section if the administrative body desires it to become permanent. The general assembly hereby declares that it is the state policy that emergencies are held to a minimum.

(3) Each proposed *or revised* regulation submitted to the legislative research commission shall include a citation of the authority pursuant to which it, or any part of it, was adopted, a brief statement which sets forth *with particularity* the necessity for issuing the regulation, a summary of the functions sought to be implemented by the *proposed or revised* regulation, and the place and manner in which interested persons may present their views. *A violation of this subsection shall constitute reason for rejection of the proposed regulations.*

(4) If within thirty (30) days following publication of the text of a proposed regulation a request is received by the administrative body from a person having an interest in the subject matter of the regulation to offer comment upon the proposed regulation, the administrative body shall fix a date, time and place for a hearing, open to the public, on the proposed regulation. Every hearing shall be conducted in such a manner so as to guarantee each person who wishes to offer comment a fair and reasonable opportunity to do so; Provided, However, every hearing shall be conducted so as to be completed within sixty (60) days from the date the proposed regulation was first published in the administrative register. No transcript need be taken of the hearing unless a written request for a transcript is made in which case the person requesting the transcript shall have the responsibility of paying for same. Following the hearing the administrative body shall give affirmative consideration to all written and oral statements submitted regarding the proposed regulation. The administrative body shall then forward to the legislative research commission *within ninety (90) days of the hearing,* a copy of the regulation as *amended, if amended as a result of the hearing* [originally published in the register accompanied by] a statement indicating *what* [whether any] changes have been made in the original wording, and [by] a statement summarizing the comments submitted to the administrative body at the hearing. *If the regulation is amended as a result of the hearing, the full text shall be reprinted in the administrative register prior to subcommittee consideration.*

(5) The legislative research commission shall cause to be endorsed on the original and duplicate copies of each regulation submitted the time and date of the filing thereof and shall maintain a file of such regulations for public inspection, with suitable indexes.

Section 2. KRS 13.087 is amended to read as follows:

(1) There is hereby created a permanent subcommittee of the legislative research commission to be known as the administrative regulation review subcommittee. The subcommittee shall be composed of *seven (7)* [three (3)] members, no more than *five (5)* [two (2)] of whom shall be members of the same political party. The legislative research commission shall appoint from the membership of the general assembly, the members of the subcommittee for terms of two (2) years, and the members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly scheduled meeting after the occurrence of the vacancy.

(2) The subcommittee shall meet monthly at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings, as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).

(4) Prior to filing, all regulations shall be submitted to the administrative regulation review subcommittee to determine if the regulation conforms to the statutory authority under which it was promulgated and if it carries out the legislative intent of the statutory authority under which it was promulgated. *If the subcommittee finds that a regulation conforms to such statutory authority and carries out such legislative intent, the subcommittee shall accept the regulation.* The subcommittee's finding that a regulation does not conform to the statutory authority or carry out the legislative intent shall be reported to the promulgating administrative body and to the director of the legislative research commission. In the event the subcommittee determines that a regulation, other than an emergency filing approved by the governor, does not conform to the statutory authority, or does not coincide with the legislative intent, the subcommittee shall attach to the regulation a written notation of its objection, including a statement of the reasons therefor, and shall return the regulation to the promulgating administrative body. Notice of such objection shall be given by the subcommittee to the director of the legislative research commission. The subcommittee shall act on a regulation submitted to the legislative research commission within thirty (30) days of the submission of the regulation.

(5) The promulgating administrative body may revise a regulation to comply with the subcommittee's objections, and may return the revised regulation to the subcommittee, or it may return the regulation, with the subcommittee's notation attached, without change. *The subcommittee shall act upon a revised regulation in the manner prescribed by subsection (4) of this section.* The legislative research commission shall immediately accept a *revised* regulation as filed if it is not objected to by the subcommittee.

(6) In the event *that the general assembly is not in regular session and* an administrative body returns a regulation, objected to by the subcommittee, to the legislative research commission without change,

the regulation shall be referred by the director to the [standing committee of the house of representatives and senate or to the] interim committee with appropriate jurisdiction as determined by the rules of the house and senate [then in effect or] in effect during the most recent session of the general assembly. *If the general assembly is in regular session when an administrative body returns a regulation, objected to by the subcommittee, without change, the regulation shall be laid before the house of representatives and senate in accordance with subsection (9) of this section.*

(7) The [standing committees of the house and senate or the] interim committee to which a regulation is referred under *subsection (6) of* this section shall review the regulation in the same manner as did the administrative regulation review subcommittee and shall not expand *its* [their] review beyond determining whether the regulation conforms to the statutory authority under which it was promulgated and whether the regulation carries out the legislative intent of the statute it seeks to implement. *If the interim committee finds that the regulation conforms to such statutory authority and carries out such legislative intent, the committee shall accept the regulation.* In the event the [standing committee of the house and senate or the] interim committee determines that a regulation does not conform to the statutory authority under which it was promulgated, or does not coincide with the legislative intent of the statute it seeks to implement the [standing committees or the] interim committee shall attach to the regulation a written notation of its objection, including a statement of the reasons therefor, and the director shall return the regulation to the promulgating administrative body. Notice of such objection shall be given by the [standing committees or by the] interim committee to the director of the legislative research commission. The [standing committees or] interim committee shall act on a regulation submitted in accordance with this section within thirty (30) days of the date the administrative body returns the regulation; provided, however, if there *is* [are] no authorized *meeting* [meetings] of the [standing committees or the] interim committee within such thirty (30) day period, the legislative research commission shall take action on the returned regulation in the same manner herein described at its next regularly scheduled meeting.

[(7) The promulgating administrative body may revise a regulation to comply with the subcommittee's interim or standing committee's objections, and may return the revised regulation to said subcommittee or committee, or may return the regulation with the subcommittee's interim or standing committee's notation attached, without change. The legislative research commission shall immediately accept the regulation as filed.]

(8) The subcommittee shall report monthly to the legislative research commission all action taken on administrative bodies' regulations. The director of the legislative research commission shall report to the commission all action taken by the [standing committee or by the] interim committee.

(9) All *proposed* regulations *not accepted* [objected to] by the subcommittee [and by the standing committees] or interim committee [and not revised by the promulgating administrative body] together with the notations of the subcommittee's and the [standing committee's or] interim committee's objection shall be transmitted by the director to the clerk of the senate and the clerk of the house of representatives *at the then-current or next succeeding* [on or before the first day of each] regular session of the general assembly. The clerk of the senate and the clerk of the house of representatives shall lay all regulations so transmitted before the senate and the house of representatives, respectively, *provided that in no case shall a regulation be laid before the general assembly within ten (10) legislative days of sine die adjournment unless so ordered by the general assembly* [for such action as the respective legislative bodies may determine to be appropriate]. *Proposed regulations not accepted by the subcommittee or interim committee that have been properly laid before the general assembly shall become effective upon sine die adjournment of the general assembly unless the general assembly in regular session shall disapprove the proposed regulation.*

(10) Notwithstanding any other provision of this section or Section 1 of this Act, the general assembly may, during regular sessions and by concurrent resolution:

(a) Require any proposed regulation or proposed revised regulation that has been submitted to the legislative research commission, whether or not the subcommittee has acted on such regulation, to be laid before the general assembly, whereupon subsection (9) of this section shall apply to the regulation; or

(b) Require any regulation then in effect to be laid before the general assembly and may declare the regulation void by enacting a bill or joint resolution voiding the regulation.

Section. 3. KRS 13.102 is amended to read as follows:

(1) No administrative body other than the Legislative Research Commission shall publish administrative rules or regulations unless *permission is granted by the Legislative Research Commission and* the rules or regulations are enclosed in a booklet or binder on which the words "Informational Copy" are clearly stamped or printed.

(2) Copies of the administrative register and the Kentucky administrative regulations service required by KRS 13.096 shall be provided to a member of the general assembly only upon the request of the member.

The Committee on State Government reported **HB 102,** with Second Committee Substitute and Committee Amendment to the Second Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Second Committee Substitute to **HB 102** is as follows:

Second Committee Substitute to **HB 102,** AN ACT relating to personal service contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.710 is amended to read as follows:

(1) No personal service contract made by any contracting body after *the effective date of this Act* [July 1, 1978], shall become effective until after *three (3)* [seven (7)] copies of the personal service contract are *filed with* [forwarded to the office of] the legislative research commission. Each service contract shall have a [clause authorizing] cancellation *clause not to exceed* [by the contracting agency on] thirty (30) days' notice to the contractee.

(2) Each copy of a proposed personal service contract submitted to the legislative research commission shall be accompanied by documentation of:

(a) The need for such service; and

(b) The unavailability of state personnel to perform such service or the non-feasibility of utilizing state personnel to perform such service.

(3) The legislative research commission shall cause to be endorsed on the copies of each personal service contract submitted the time and date of the filing thereof and shall maintain a file of such personal service contracts for public inspection, with suitable indexes.

(4) Payment on contracts submitted to the subcommittee shall not be made before completion of the review procedure provided for in Section 2 of this Act unless the secretary of the department of finance determines that the time involved with the normal review procedure would cause a detrimental effect upon the state's ability to act or to procure services. Payment shall not be made until notification and explanation of the reasons for this action is forwarded to the subcommittee along with the personal service contract for which emergency payment is deemed necessary.

Section 2. KRS 45.715 is amended to read as follows:

(1) There is hereby created a permanent subcommittee of the legislative research commission to be known as the personal service contract review subcommittee. The subcommittee shall be composed of seven (7) members which shall include members of the minority party as nearly proportioned to their membership in the general assembly as mathematically possible. The legislative research commission shall appoint from the membership of the general assembly, the members of the subcommittee for terms of two (2) years, and the members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly scheduled meeting after the occurrence of the vacancy.

(2) The subcommittee shall meet monthly at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings, as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).

(4) All copies of proposed personal service contracts received by the legislative research commission shall be submitted to the subcommittee to:

(a) Examine the stated need for the contract service;

(b) Examine whether the service could or should be performed by state personnel; and

(c) Examine the cost and duration of the contract.

The subcommittee's finding that the contract service is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive shall be reported to the contracting body. In the event the subcommittee believes that the contract service, other than an emergency contract approved by the governor, is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive, the subcommittee shall attach to the personal service contract a written notation of its *disapproval or* objection, including a statement of the reasons therefor, and shall return the personal service contract to the contracting body. Notice of such *disapproval or* objection shall be given by the subcommittee to the director of the legislative research commission. The subcommittee shall act on a personal service contract submitted to the legislative research commission within thirty (30) days of the submission of the personal service contract.

(5) *All personal service contracts objected to or disapproved by the subcommittee shall be forwarded to the department of finance. The secretary of the department of finance shall determine whether a personal service contract:*

(a) Shall be revised to comply with the objections of the subcommittee; or

(b) Cancelled if disapproved by the subcommittee; or

(c) Remain effective as originally approved by the department of finance.

(6) The department of finance shall notify the subcommittee of the action taken on personal service contracts referred to the department of finance by the subcommittee within thirty (30) days from the date the contracts were reviewed by the subcommittee.

(7) The subcommittee shall report monthly to the legislative research commission all action taken on personal service contracts by the department of finance and the subcommittee [The contracting body shall report to the subcommittee in any case where objections were made, stating the contracting body's position and whether a cancellation or modification is proposed within sixty (60) days of receipt of the objections.

(6) In the event a contracting body reports to the subcommittee and does not propose action to comply with the objections, the personal service contract shall be referred by the director of the legislative research commission to the appropriations and revenue committees of the house of representatives and senate or to the interim committee on appropriations and revenue for review. In the event the standing committees of the house and senate or the interim committee determines that the contract service is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive, the standing committees or the interim committee shall attach to the personal service contract a written notation of its objection, including a statement of the reasons therefor, and the director shall send a copy of the objections to the contracting body and to the governor.

(7) The contracting body may revise a personal service contract to comply with the interim or standing committees' objections, and may return a copy of the revised personal service contract to said committee, or may return a copy of the personal service contract with the interim or standing committees' notation attached, without change.

(8) The subcommittee shall report monthly to the legislative research commission all action taken on contracting bodies' personal service contracts. The director of the legislative research commission shall report to the commission all action taken by the standing committees or by the interim committee.

(9) All personal service contracts objected to by the subcommittee and by the standing committees or interim committee and not revised by the contracting body together with the notations of the subcommittee's, the standing committees', or interim committee's objection shall be transmitted by the director to the clerk of the senate and the clerk of the house of representatives on or before the first day of each regular session of the general assembly. The clerk of the senate and clerk of the house of representatives shall lay all such disputed personal service contracts before the senate and the house of representatives, respectively, for such action, as the respective legislative bodies may determine to be appropriate].

Section 3. KRS 45.990 is amended to read as follows:

(1) Any officer, agent or employe of any budget unit who wilfully fails or refuses to comply with any of the provisions of KRS 45.010 to 45.170, 45.190 to 45.300, 45.320 or 45.330, or who expends any money in violation of any of the provisions of those sections, shall be subject to indictment in the Franklin Circuit Court, and upon conviction shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) for each offense.

(2) If any person incurs, or orders or votes for the incurrence of, any obligations in violation of any of the provisions of subsection (2) of KRS 45.190, he and his sureties shall be jointly and severally liable therefor.

(3) Any violation of KRS 45.360 shall be punished by a fine of not more than five thousand dollars ($5,000) or by a prison sentence of not more than five (5) years, or by both fine and imprisonment in the discretion of the jury.

(4) Any person who violates any of the provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or be imprisoned not less than one (1) year nor more than five (5) years, or both such fine and imprisonment. Any firm, corporation, or association which violates any of the provisions of KRS 45A.325 shall, upon conviction, be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000).

(5) Any employe of the division of purchases, or any official of the Commonwealth of Kentucky, elective or appointive, who shall take, receive, or offer to take or receive, either directly or indirectly, any rebate, percentage of contract, money, or other things of value, as an inducement or intended inducement in the procurement of business, or the giving of business, including but not limited to personal service contracts, for, or to, or from, any person, partnership, firm or corporation, offering, bidding for, or in open market seeking to make sales to the Commonwealth of Kentucky, shall be deemed guilty of a felony and upon conviction such person or persons shall be punished by a fine not to exceed five thousand dollars ($5,000) or by imprisonment in the penitentiary for not more than ten (10) years, or both so fined and imprisoned in the discretion of the jury.

(6) Every person, firm, or corporation offering to make, or pay, or give, any rebate, percentage of contract, money or any other thing of value, as an inducement or intended inducement, in the procurement of business, or the giving of business, including but not limited to personal service contracts, to any employe

of the division of purchases or to any official of the Commonwealth, elective or appointive, in his efforts to bid for, or offer for sale, or to seek in the open market, shall be deemed guilty of a felony and shall be punished by a fine not to exceed five thousand dollars ($5,000) or by imprisonment in the penitentiary for not more than ten (10) years, or both so fined and imprisoned in the discretion of the jury.

Section 4. The following KRS sections are repealed:

45.530 Professional employment commission — Members — Chairman — Meetings — Compensation — Attached to executive department for finance and administration.

45.535 Duties of commission — Procedures for review and approval of contracts.

45.540 Procedures for awarding contracts to be developed by department of personnel.

45.545 Notice of disqualification to applicant — Order of cancellation or modification of contract by commission.

Section 5. Whereas, personal service contracts for fiscal year 1980-81 will be negotiated prior to July 1, 1980; and whereas the General Assembly finds that it is imperative that excessive expenditures for such contracts be eliminated through the review procedure required by this Act, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

The Committee Amendment to the Second Committee substitute to **HB 102** is as follows:

Amend printed copy of Second Committee Substitute to **HB 102,** page 1, title, by deleting the words "personal service"

Representative Guenthner filed the following Floor Amendment No. 1 to **HB 354:**

Amend printed copy of **HB 354,** page 1, line 18, after the period, insert: *No person shall serve more than two terms as a member of each house of the Kentucky general assembly.*

Representative Weinberg filed the following Floor Amendment No. 1 to **HB 177:**

Amend printed copy of **HB 177,** page 2, line 8, after the word "*program*" by adding the words "*if eligible*".

Calendar

HR 30 taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that it be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 83, with Committee and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved the adoption of the Committee Amendment No. 1 to **HB 83.** Agreed.

Representative List moved the adoption of the Floor Amendment No. 2 to **HB 83.** Agreed.

Representative List moved that **HB 83,** as amended, be passed.

On the roll call the vote was yeas 69-Adams, Arnold, Barrows, Bendl, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Deskins, Donnermeyer, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, Maynard, McBee, Moberly, Morris, Noe, O'Brien, Overstreet, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Sale, Stone, Stumbo, Thomas, Thomason, Tobin, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 17-Allen, Bennett, Caldwell, Dawahare, DeFalaise, DeMarcus, Dunn, Fryman, Layman, McKinney, Plummer, Reynolds, Romines, Smith, Turner, Van Horn, White.

HB 83, as amended, was passed and the title agreed to.

Representative List moved that the vote by which **HB 83**, as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of **HB 8** be deferred and that it retain its position in Orders of the Day. Agreed.

HB 94 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved that **HB 94** be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthingon, Wright, Yates. Nays 0.

HB 94 was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 94** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 51, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wilborn moved the adoption of the Committee Substitute to **HB 51**. Agreed.

Representative Wilborn moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 51**. Agreed.

Representative Wilborn moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 51**.

On the roll call the vote was yeas 40-Bendl, Bennett, Blythe, Boswell, Brinkley, Bruce, Burch, Cawood, Clarke, Curd, Deskins, Dunn, Farrow, Foster, Freibert, Haering, Hancock, Hines, Holbrook, Holloway, Jones, Kidd, List, Little, Mann, McKinney, Moberly, Nett, Noe, Petty, Rapier, B. Richardson, Sale, Schmidt, Stumbo, Thomas, Thomason, Tobin, Wilborn, Williams. Nays 43-Adams, Allen, Arnold, Barrows, Burnette, Caldwell, Clark, Craddock, Crupper, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Fryman, Gray, Guenthner, Head, Heleringer, Isler, Johnson, Kenton, Layman, LeMaster, Lundergan, May, McBee, Morris, O'Brien, Overstreet, Patrick, Plummer, Rattliff, Reynolds, Riner, Smith, Stone, Turner, Van Horn, Weinberg, Worthington, Wright.

The motion that Floor Amendment No. 2 to the Committee Substitute to **HB 51** be adopted was rejected.

Representative Wilborn moved that **HB 51**, by way of Committee Substitute as amended, be passed.

Representative Little moved that **HB 51** be laid on the Clerk's desk.

On the roll call the vote was yeas 9-Cyrus, Dawahare, Deskins, Gray, Hancock, Little, McBee, McKinney, Thomas. Nays 75-Adams, Allen, Arnold, Barrows, Bendl, Blandford, Blythe, Boswell, Brinkley, Bronger, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, Maynard, Moberly, Nett, Noe, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, Riner, Robinson, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates.

The motion that **HB 51** be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 94-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 51, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Wilborn moved that the vote by which **HB 51,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Heleringer filed the following Floor Title Amendment to the Committee Substitute to **HB 104:**

Amend printed copy of Committee Substitute for **HB 104,** title, delete the word "automobile"

Representative Heleringer filed the following Floor Amendment No. 2 to the Committee Substitute to **HB 104:**

Amend printed copy of Committee Substitute for **HB 104,** page 6, after line 21, insert the following:

SECTION 2. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 19 IS CREATED TO READ AS FOLLOWS:

No insurer shall refuse to write a credit life insurance policy solely because of the age of the applicant.

HB 104, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Foster moved the adoption of the Committee Substitute to **HB 104.** Agreed.

Representative Foster moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 104.** Agreed.

Representative Foster moved that **HB 104,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 104, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Foster moved that the vote by which **HB 104,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 122, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved the adoption of the Committee Amendment No. 1 to **HB 122.** Agreed.

Representative Thomason moved that **HB 122,** as amended, be passed.

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 122, as amended, was passed and the title agreed to.

Representative Thomason moved that the vote by which **HB 122,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 135 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Davenport moved that **HB 135** be passed.

On the roll call the vote was yeas 80-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, LeMaster, List, Lundergan, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 10-Clarke, Cyrus, Deskins, Dunn, Kidd, Layman, Little, Mann, Overstreet, Rattliff.

HB 135 was passed and the title agreed to.

Representative Davenport moved that the vote by which **HB 135** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Motions, Petitions, and Communications

Speaker Pro Tempore presiding.

The Chairmen announced the following Committee meetings:

Appropriations and Revenue: On adjournment today, Room 307.

Judiciary: On adjournment today, Room 9.

Transportation: Fifteen minutes after adjournment today, Room 307.

The Speaker announced a meeting of the Committee on Rules on adjournment with a meeting of the Committee Chairmen immediately following.

Representative Smith moved the adoption of the following Legislative Citation No. 20:

The House of Representatives of the Commonwealth of Kentucky hereby commends the Editors and Staffs of the Pioneer News and Bullitt County Star. You have made significant contributions to your community's need for immediate information. Your responsibility is awesome because we depend upon you to keep us—the public—informed. Immediate communication is essential as we face the challenge of change in a world beset with problems. Man's greatest hope for peace lies in understanding one's fellowman. Your profession provides a vehicle and influential force that can shape a network of understanding among us, and the information you provide molds public opinion and shapes decisions. Your community is blessed with these two fine publications and the diversified and comprehensive coverage they offer. We appreciate your hard work, long hours and dedication. (Sponsored by Representative Smith)

Agreed.

Representative Guenthner moved that the rules be suspended for the purpose of acting upon a Resolution. Agreed.

HR 41, by Representatives Guenthner and Bruce: A RESOLUTION expressing sincere gratitude to Prime Minister Joe Clark, Ambassador Ken Taylor, the Canadian government and the Canadian people for their support and assistance to the United States during the Iranian crisis.

Representative Guenthner moved that a call of the roll be taken to show co-sponsors of **HR 41.** Agreed.

The following members requested that their names be added as co-sponsor of **HR 41:** Adams, Arnold, Barrows, Bendl, Bennett, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, List, Little, Mann, May, Maynard, McBee, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Wilborn, Williams, Wright.

Representative Guenthner moved the adoption of the following **HR 41:**

HR 41, A RESOLUTION expressing sincere gratitude to Prime Minister Joe Clark, Ambassador Ken Taylor, the Canadian government and the Canadian people for their support and assistance to the United States during the Iranian crisis.

WHEREAS, the Iranian people blatantly violated all international laws with respect to diplomacy when they forcefully overtook the United States Embassay in Tehran; and

WHEREAS, the Iranian people have held 50 Americans hostage for 88 days, refusing to release innocent pawns caught in an internal political revolution; and

WHEREAS, the flagrant actions of the Iranian government and the Iranian people are inexcusable; and

WHEREAS, six American diplomats, who were fortunate to escape the seizure of the American Embassy in Tehran, were forced to seek refuge from the Iranian government in the same fashion which members of the Jewish faith had to seek refuge from the Nazi's; and

WHEREAS, the Canadian government opened its Embassy to these six American diplomats; and

WHEREAS, the American diplomats, who were in constant fear for their lives, were hidden in Canadian diplomatic residences while their existence was kept secret from the Iranian people; and

WHEREAS, Canadian Ambassador Ken Taylor masterminded an escape plan for these six Americans, as well as, the remaining Canadian Embassy personnel; and

WHEREAS, upon completion and revelation of the Canadian escape scheme, the Canadian government and people find themselves in a precarious situation with the Iranians; and

WHEREAS, Canada is now facing threats of reprisal from the Iranian government;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body extend its sincerest thanks and deepest gratitude to Prime Minister Joe Clark and the Canadian people for being a true ally in the face of an international crisis despite threats of reprisals.

Section 2. That Canadian Ambassador Ken Taylor be hailed for his courageous humanitarian assistance bestowed upon the American diplomats.

Section 3. That the Clerk of the House be directed to forward a copy of this resolution to Prime Minister Joe Clark, Ambassador Ken Taylor and the Canadian government.

HR 41 was adopted by voice vote.

Representative Wright moved that **HB 105** be returned to the Committee on Committees.

On the roll call the vote was yeas 63-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Bronger, Brown, Burnette, Caldwell, Cawood, Clapp, Clarke, Craddock, Curd, Cyrus, Davenport, DeFalaise, Deskins, Dunn, Foster, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Isler, Johnson, Kidd, Layman, LeMaster, List, Little, Lundergan, May, Maynard, Moberly, Nett, Noe, Overstreet, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, Romines, Sale, Schmidt, Smith, Thomason, Tobin, Turner, Van Horn, Williams, Wright, Yates. Nays 0.

The motion that **HB 105** be returned to the Committee on Committees was adopted.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Posting of Bills and Resolutions for Consideration.-Agreed.

Introduction of Bills and Resolutions (continued)

HCR 42, by Representative Weinberg: A CONCURRENT RESOLUTION directing the formation of a special solar energy advisory committee to determine the potential for the use of solar and other renewable energy resources in the Commonwealth.

HJR 43, by Representatives Romines, Boswell, Bendl, Bennett, Bronger, Burch, Crupper, Curd, Cyrus, Dunn, Hines, Jones, Little, Mann, McKinney, Overstreet, Petty, Thomas, Van Horn and Wright: A JOINT RESOLUTION relating to special education.

HR 44, by Representatives Blythe and Stone: A RESOLUTION inviting John Y. Brown, Sr., to address the House of Representatives of the General Assembly.

HB 399, by Representatives Van Horn, Holbrook and Cyrus: AN ACT relating to salaries of officials of the court of justice and making an appropriation therefor.

HB 400, by Representative Clarke: AN ACT relating to the employment of temporary personnel by the commissioner of parks.

HB 401, by Representative Joe Clarke: AN ACT relating to financial disclosure.

HB 402, by Representatives Bendl, Hines, Thomason and Nett: AN ACT relating to health insurance.

HB 403, by Representative Layman: AN ACT relating to the board of social work examiners.

HB 404, by Representative Guenthner: AN ACT relating to adoption.

HB 405, by Representative Guenthner: AN ACT relating to public procurement activities and audits thereof.

HB 406, by Representative Maynard: AN ACT relating to insurance.

HB 407, by Representative Maynard: AN ACT relating to automobile insurance.

Posting of Bills and Resolutions (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Labor and Industry: **HB 349.**

State Government: **HB 63, HR 25, HR 19, HB 363, HR 38.**

Health and Welfare: **HB 371, HB 127, HB 263.**

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Allen, **HB 108;** Representative Cyrus, **HB 109;** Representative Ellington, **HB 125;** Representative Heleringer, **HB 299;** Representative Layman, **HB 108;** Representative Thomas, **HB 13, HB 32, HB 91, HB 143, HB 177, HB 332.**

Adjournment

Representative B. Richardson moved that the House adjourn until 10:00 a.m., Friday, February 1, 1980.

On the roll call the vote was yeas 76-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, Maynard, McBee, Moberly, Nett, Noe, O'Brien, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Turner, Van Horn, White, Wilborn, Williams, Worthington, Yates. Nays 5-Deskins, Guenthner, Overstreet, Robinson, Wright.

The motion to adjourn was adopted.

FRIDAY, FEBRUARY 1, 1980

SIXTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Blair, DeMarcus, Lewis and Pearman.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of January 31, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HR 45, by Representatives Van Horn, Bennett, Dunn, and Williams: A RESOLUTION honoring the Marmota monax and expressing the desire of the General Assembly for a favorable meteorological prognostication.

HB 408, by Representative Brown: AN ACT relating to marriage.

HB 409, by Representatives Barrows and Farrow: AN ACT relating to district courts and making an appropriation therefor.

HB 410, by Representative Wilborn: AN ACT relating to financial administration.

HB 411, by Representative LeMaster: AN ACT relating to individual income tax.

HB 412, by Representatives Hines, Bendl, Bennett, Williams, Maynard, Curd, Priddy, Haering, Heleringer, Wright, Kidd, and Nett: AN ACT relating to higher education.

HB 413, by Representative Heleringer: AN ACT relating to public meetings.

HB 414, by Representatives Lundergan, Caldwell, and Stumbo: AN ACT relating to professional engineers and land surveyors, and architects.

HB 415, by Representative Riner: AN ACT relating to reparation for property stolen or damaged.

Senate Message

Announcing passage of **HJR 27.**

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 391, HB 105.**

Appropriations and Revenue: **HB 399.**

Banking and Insurance: **HB 397, SB 75, HB 402, HB 406, HB 407.**

Education: **HB 395, HR 40, SB 91, HR 43.**

Elections and Constitutional Amendments: **HB 394, SR 9.**

Energy: **HB 390, HB 392, SB 47, HR 42.**

Health and Welfare: **SB 53, HB 403, HB 404.**

Judiciary: **HB 387, HB 389, HB 396, HB 398, SB 31, SB 77.**

State Government: **SB 11, SB 56, SB 65, SB 99, HB 400, HB 401, HB 405, HR 44.**

Transportation: **HB 388, HB 393.**

Report of Committees

The Committee on Committees reported the following communication from the Honorable John S. Palmore, Chief Justice, Supreme Court of Kentucky:

Hon. Martha Layne Collins
President of the Senate

Hon. William G. Kenton
Speaker, House of Representatives

Dear Mme. President and Mr. Speaker:

The purpose of this letter is to correct a possible misunderstanding with regard to my address to the General Assembly on January 24, 1980. First, however, let me express my deep appreciation to the members of both Houses for having had the privilege of appearing before them and for the warm and generous reception they accorded to me. It certainly was an enjoyable occasion for me.

I am told that there may be some who drew from my remark that the existing salary of the district judges does not meet the constitutional guaranty of "adequate compensation" an inference that a veiled threat was intended. I hasten to assure you that there was no such thought in my mind, nor, so long as I am Chief Justice, will there ever be such a thought. It would not fit my conception of diplomacy and would not be consistent with my respect for the General Assembly and the high regard in which I hold its individual members.

I do in fact think that the salary of the district judges is inadequate, or I would not have said so. That does not mean, however that I think the members of the General Assembly are obliged to agree with me. What I said in this particular respect was in keeping with the theme expressed further on in the speech, which was to the effect that in putting first things first, there are certain fundamental things that are obligatory, as opposed to others that are matters of choice, and that it is of primary importance that we not let them be confused. As St. Paul might have put it, there are things constitutional and things statutory.

My reference to the constitutional provision for adequate compensation was intended merely to call it to the attention of the legislative body that by reason of the shifting tide of inflation the keel of the ship appears to be touching the same. I really do not have any fear that it would be allowed to get stuck there.

I shall appreciate your conveying this message to the members of your respective Houses.

Best regards,

-/sd/ John S. Palmore

The Committee on Rules reported **HB 111, HB 143,** and **HR 30** have been posted for passage in Orders of the Day, February 4, 1980.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Elections and Constitutional Amendments: **HB 26, HB 27, HB 140.**

Banking and Industry: **HB 289.**

Cities: **HB 319, HB 190.**

Counties and Special Districts: **HB 192, HB 341.**

Transportation: **HB 35, HB 46, HB 212, HB 317, HB 346, HB 367.**

Natural Resources: **HB 347.**

Report of Committees

The Committee on Judiciary reported **HB 158,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee on Judiciary reported **HB 88** with Committee Amendment attached thereto, **HB 85** with Committee Amendment attached thereto, **HB 280, HB 279, HB 259,** and **SB 60** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 88, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) No consumer reporting agency shall maintain any information in its files relating to any charge in a criminal case, in any court of this Commonwealth, unless the charge has resulted in a conviction.

(2) Any violation of subsection (1) shall be subject to a fine of not more than two hundred dollars ($200) for each offense.

SECTION 2. A NEW SECTION OF KRS CHAPTER 7 IS CREATED TO READ AS FOLLOWS:

Any person who fraudulently alters the engrossed copy or enrollment of any bill passed by the General Assembly, with intent to have it approved by the Governor or certified by the Secretary of State, or printed or published by the printer of the statutes, in language different from that in which it was passed by the General Assembly, shall be confined in the penitentiary for not less than one nor more than five years.

SECTION 3. A NEW SECTION OF KRS CHAPTER 513 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of burning personal property to defraud an insurer when he, with intent to defraud or injure an insurer, he:

(a) Sets fire to, burns, or causes to be burned; or

(b) Aids, counsels, or procures the burning of any of the goods, wares, merchandise, or other personal property of himself or another, that is insured at the time against loss or damage by fire.

(2) Burning personal property to defraud an insurer is a Class D felony.

SECTION 4. A NEW SECTION OF KRS CHAPTER 438 IS CREATED TO READ AS FOLLOWS:

Any person who willfully and maliciously prevents, obstructs or delays the sending, transmission, conveyance or delivery in this state of any message, communication or report through any telegraph or telephone line, wire or cable shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500), or imprisoned for not more than one year, or both.

SECTION 5. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) Any person removing a wrecked or damaged vehicle from a highway shall remove any glass or other injurious substance dropped upon the highway from such vehicle.

(2) Any person who violates this section shall be fined not less than twenty-five dollars ($25) nor more than three hundred dollars ($300).

SECTION 6. A NEW SECTION OF KRS CHAPTER 150 IS CREATED TO READ AS FOLLOWS:

Any person who wrongfully breaks or enters a park or other enclosed grounds used for keeping deer, elk or buffalo, or hunts, drives, chases, takes out, maims or kills any deer, elk or buffalo therein shall, in addition to any other penalty, also pay to the person aggrieved treble the amount of damages sustained.

SECTION 7. A NEW SECTION OF KRS CHAPTER 150 IS CREATED TO READ AS FOLLOWS:

Any person who breaks or cuts down, cuts out or destroys any head or dam of any pool, pond, moat, slew, stagnet or pit wherein fish are or will be put or stored by the owner or person in possession, shall, in addition to any other penalty, pay the party aggrieved treble the damages sustained.

Section 8. KRS 150.990 is amended to read as follows:

(1) Each bird, fish or animal taken, possessed, bought, sold or transported and each device used or possessed contrary to the provisions of this chapter or any regulation adopted by the commissioner thereunder shall constitute a separate offense. The penalties prescribed in this section shall be for each offense.

(2) Any person who violates any of the provisions of this chapter or any regulations adopted by the commission hereunder, for which no definite fine or imprisonment is fixed, shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100).

(3) Any person who violates any of the provisions of subsection (3) of KRS 150.090, subsections (1) and (2) of KRS 150.180, KRS 150.300, KRS 150.330, subsection (2) of KRS 150.360, KRS 150.485 or KRS 150.600 shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200) or imprisoned for not more than six (6) months, or both.

(4) Any person who violates any of the provisions of KRS 150.460 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned for not more than six (6) months, or both, and in addition to such penalties shall be liable to the department in an amount reasonably necessary to restock such fish or replenish such other wildlife which has been killed or destroyed.

(5) Any licensee who violates any provisions of this chapter or any regulations adopted by the commissioner thereunder shall, in addition to the penalties provided in subsections (2), (3) and (4) of this section, forfeit his license and shall not be permitted to purchase another license for the same calendar year.

(6) Any county clerk, deputy clerk or agent who knowingly makes a false entry upon a license record or report, in violation of subsection (2) of KRS 150.190 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(7) Any person who violates the provisions of KRS 150.390(1), (2), (3) or (4) shall be fined not less than one hundred dollars ($100), nor more than five hundred dollars ($500).

(8) Any person who violates the provisions of KRS 150.390(5) *or Sections 6 or 7 of this Act* shall be fined not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000), or imprisoned for not less than thirty (30) days nor more than one (1) year, or both.

(9) Any person who violates the provisions of KRS 150.390(5) shall, in addition to the penalties prescribed in subsection (8) of this section, forfeit his hunting license and shall not be permitted to apply nor be issued a hunting permit for a period of one (1) to three (3) years and in addition shall be liable to the department in an amount reasonably necessary to replace any deer or wild turkey taken in violation of KRS 150.390(5).

(10) Any person who violates KRS 150.525 shall be fined not less than twenty-five dollars ($25), nor more than two hundred dollars ($200) or imprisoned for not more than six (6) months, or both.

(11) Any person who violates any regulation which has been or may be hereafter adopted by the commission under any provisions of this chapter or which is adopted to supplement, explain, carry out or limit any provision of this chapter, shall be subject to the same penalty as is provided for the violation of any provisions of this chapter under which the regulation is adopted or which the regulation supplements, explains, carries out or limits.

(12) Any person violating the provisions of subsection (1) of KRS 150.670, shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100).

(13) Any nonresident who violates KRS 150.235, subsection (2) or (3), shall be fined not less than fifty dollars ($50) nor more than two hundred dollars ($200).

(14) No fines, penalty, or judgment assessed or rendered under this chapter shall be suspended, reduced or remitted otherwise than expressly provided by law.

(15) Any person who violates any provision of KRS 150.183 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each violation.

SECTION 9. A NEW SECTION OF KRS CHAPTER 253 IS CREATED TO READ AS FOLLOWS:

Any person who knowingly alters or defaces the marks or brands on any cattle not his own, without the consent of the owner, shall be fined not more than two hundred dollars, or imprisoned for not more than six months, or both.

SECTION 10. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) A person who, with intent to defraud, sells or exposes for sale any meat or meat preparations, and falsely represents the same to be Kosher, whether such meat or meat preparations be raw or prepared for human consumption, or as having been prepared under, and of a product or products sanctioned by, the orthodox Hebrew religious requirements, either by direct statement orally, or in writing, which might reasonably be calculated to deceive or lead a reasonable man to believe that a representation is being made that such meat or meat preparation is Kosher or prepared in accordance with the orthodox Hebrew religious requirements, or falsely represents any meat products or the contents of any package or container to be so constituted and prepared, by having or permitting to be inscribed thereon the word "Kosher" in any language; or sells or exposes for sale in the same place of business both Kosher and non-Kosher meat or meat preparations, whether raw or prepared for human consumption, and who fails to indicate on his window signs and all display advertising, in block letters at least four inches in height, "Kosher and non-Kosher meat sold here"; or who exposes for sale in any show window or place of business both Kosher and non-Kosher meat or meat preparations, either raw or prepared for human consumption, and who fails to display over each kind of meat or meat preparations, so exposed a sign in block letters at least four inches in height reading "Kosher Meat," or "Non-Kosher Meat," as the case may be, or who displays on his window, or in his place of business, or in handbills or other printed matter distributed in or outside of his place of business, words or letters in Hebraic characters other than the word "Kosher," or any sign, emblem, insignia, six-pointed star, symbol, or mark in simulation of same, without displaying in conjunction therewith, in English letters of at least the same size as such characters, signs, emblems, insignia, symbols, or marks, the words "We sell Kosher meat only," or "We sell non-Kosher meat only," or "We sell both Kosher and Non-Kosher meat," as the case may be, is guilty of a misdemeanor. Possession of non-Kosher meat or meat preparations, in any place of business advertising the sale of Kosher meat and meat preparations only, is presumptive evidence that the person in possession exposes the same for sale with intent to defraud, in violation of the provisions of this section.

(2) A person who, with intent to defraud, sells or exposes for sale in any hotel, restaurant, or other place where meat products are sold for consumption on or off the premises, and falsely represents the same to be Kosher, whether such meat or meat preparations, be raw or prepared for human consumption, or as having been prepared under, and of a product or products sanctioned by the orthodox Hebrew religious requirements, either by direct statement orally, or in writing, which might reasonably be calculated to deceive or lead a reasonable man to believe that a representation is being made that such meat is Kosher or prepared in accordance with the orthodox Hebrew religious requirements, or falsely represents any meat or meat product or the contents of any package to be so constituted and prepared, by having or permitting to be inscribed thereon the word "Kosher" in any language; or sells or exposes for sale in the same place of business both Kosher and non-Kosher meat or meat preparations, either raw or prepared for human consumption, and who fails to indicate on his window signs and all display advertising, in block letters at least four inches in height, "Kosher and non-Kosher meat sold here," either raw or prepared for human consumption, and who fails to display over each kind of meat or meat preparation so exposed a sign in block letters at least four inches in height reading "Kosher meat" or "non-Kosher meat," as the case may be, or who displays on his window, door, or in his place of business, or in handbills or other printed matter distributed in or outside of his place of business, words or letters in Hebraic characters other than the word "Kosher," or any sign, emblem, insignia, six-pointed star, symbol, or mark in simulation of same, without displaying in conjunction therewith in English letters of at least the same size as such characters, signs, emblems, insignia, symbols, or marks the words "We sell Kosher meat only," or "We sell Non-Kosher meat only," or "We sell both Kosher and non-Kosher meat," as the case may be, is guilty of a misdemeanor. Possession of non-Kosher meat, in any place of business advertising the sale of Kosher meat only, is presumptive evidence that the person in possession exposes the same for sale with intent to defraud, in violation of the provisions of this section.

(3) Any person, partnership or corporation upon conviction of violation of the provisions of this section shall be fined not less than twenty-five dollars or more than five hundred dollars or confined in the county jail for not more than six months, or both such fine and imprisonment.

SECTION 11. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Any dealer in motor vehicles or any other person who fraudulently changes, sets back, disconnects, fails to connect, or causes to be changed, set back or disconnected, the speedometer or odometer of any motor vehicle, to effect the sale of the motor vehicle shall be fined not less than one hundred dollars nor more than three hundred dollars.

SECTION 12. A NEW SECTION OF KRS CHAPTER 438 IS CREATED TO READ AS FOLLOWS:

Any person who knowingly transmits on or through any telegraph or telephone line in the state, any false communication or intelligence with intention to injure any other person or to speculate on any article of merchandise, commerce or trade, or with intent that another may do so; or any agent, officer or manager of a telegraph or telephone line who, from corrupt or improper motives or willful negligence, withholds the transmission or delivery of messages or intelligence, for which the customary charges have been paid or tendered, shall be fined not less than ten dollars nor more than five hundred dollars.

SECTION 13. A NEW SECTION OF KRS CHAPTER 438 IS CREATED TO READ AS FOLLOWS:

Every telephone directory published for distribution to members of the general public shall contain a notice which explains that it is unlawful for any person to make use of telephone facilities or equipment for the purpose of communicating language, suggestions or proposals which are obscene, profane, lewd, lascivious or indecent in a manner reasonably to be expected to annoy, abuse, harass, torment or embarrass another, such notice to be printed in type which is no smaller than the smallest type on the same page, and to be preceded by the word "WARNING". The provisions of this section shall not apply to directories solely for business advertising purposes, commonly known as classified directories.

SECTION 14. A NEW SECTION OF KRS CHAPTER 525 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of failure to disperse if he participates with two or more persons in a course of disorderly conduct likely to cause substantial harm or serious inconvenience, annoyance or alarm, and intentionally refuses to disperse when ordered to do so by a peace officer or other public servant engaged in executing or enforcing the law.

(2) Failure to disperse is a Class B misdemeanor.

SECTION 15. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

As used in KRS Chapter 227 "fireworks" means and includes any combustible or explosive composition, or any substance or combination of substances, or article, prepared for the purpose of producing a visible or audible effect by combustion, explosion, deflagration or detonation, and shall include but not limited to blank cartridges, toy pistols, toy cannons, toy canes or toy guns in which explosives are used, the type of balloons which require fire underneath to propel the same, firecrackers, torpedoes, skyrockets, Roman Candles, Daygo bombs, or other fireworks of like construction and any fireworks containing any explosive or flammable compound, or any tablets or other device containing any explosive substance. The term "fireworks" shall not include toy pistols, toy canes, toy guns, or other devices in which paper caps containing twenty-five hundredths grains or less of explosive compound are used, providing they are so constructed that the hand cannot come in contact with the cap when in place for use, toy pistol paper caps which contain less than twenty-hundredths grains of explosive mixture, and gold star producing sparklers, which contain no magnesium or chlorate, toy snakes which contain no mercury, smoke novelties and party novelties, which contain less than twenty-five hundredths of a grain of explosive mixture, the sale and use of which shall be permitted at all times.

SECTION 16. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

No person shall sell at retail, or offer, advertise or expose for sale at retail, possess, or use or explode, any fireworks within this state, except gold star producing sparklers, which contain no magnesium or chlorate, toy snakes which contain no mercury, smoke novelties and party novelties, which contain less than twenty-five hundredths of a grain of explosive mixture; provided, however, that in cities the chief of the fire department, or mayor or similar official where there is no fire department, and in counties outside of cities the county judge/executive, shall have power to grant permits for supervised public displays of fireworks by municipalities, fair associations, amusement parks, and other organizations or groups of individuals. Every such display shall be handled by a competent operator to be approved by the public official by whom the permit is granted, and shall be of such character, and so located, discharged or fired as in the opinion of such official, after proper inspection, shall not be hazardous to property or endanger any person. Applications for permits shall be made in writing at least fifteen days in advance of the date of the display. After such privilege shall have been granted, sales, possession, use and distribution of fireworks for such display shall be lawful for that purpose only. No permit granted hereunder shall be transferable.

SECTION 17. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

No permit shall be issued under Section 16 of this Act unless the applicant shall give bond or evidence of liability insurance deemed adequate by the official to whom application for the permit is made, in a sum not less than five hundred dollars, conditioned for the payment of all damages which may be caused thereby either to a person or to property by reason of the permitted display, and arising from any acts of the licensee, his agents, employes or subcontractors.

SECTION 18. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

Nothing in Sections 15 to 21 of this Act shall prevent the retail sale and use of explosives or signaling flares used in the course of ordinary business or industry, or gold star producing sparklers, which contain no magnesium or chlorate, toy snakes which contain no mercury, smoke novelties and party novelties, which contain less than twenty-five hundredths of a grain of explosive mixture, or shells or cartridges used as ammunition in firearms, or blank cartridges for a show or theatre, or for signal or ceremonial purposes in athletics or sports, or for use by military organizations, or the sale of any kind of fireworks provided the same are to be shipped by the seller directly out of the state.

SECTION 19. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

Any person violating the provisions of Sections 15 to 21 of this Act, or who knowingly induces another, directly or indirectly, to violate the provisions of those sections, shall be fined not more than five hundred dollars, or imprisoned in the county jail for not more than twenty days, or both.

SECTION 20. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

(1) Prior to the selling, offering for sale, possessing, storing, or use within this state, of: the gold star producing sparklers which contain no magnesium or chlorate, toy snakes which contain no mercury, smoke novelties and party novelties which contain less than twenty-five hundredths of a grain of explosive mixture, as provided for under the provisions of Section 15 of this Act; sufficient samples for inspection thereof must be submitted to the State Fire Marshal. Within ten days after receiving same the State Fire Marshal shall make a determination if the submitted items comply with the provisions of Section 15 of this Act and upon finding that the provisions of Section 15 of this Act have been complied with, he shall issue a certificate of compliance to the person submitting the samples. If, upon inspection, the State Fire Marshal finds that the samples do not comply with the provisions of Section 15 of this Act he shall refuse to issue a certificate of compliance and state to the party submitting the samples his reason therefor.

(2) No gold star producing sparklers which contain no magnesium or chlorate, toy snakes which contain no mercury, smoke novelties and party novelties which contain less than twenty-five hundredths of a grain of explosive mixture, which have been certified by the fire marshal as complying with provisions of Section 15 of this Act shall be sold, offered for sale, possessed, stored, or used within this state unless they shall be properly named on all shipping cases and by printing on the article and so positioned as to be readily recognized by law enforcement authorities and the general public.

SECTION 21. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

All fireworks held, possessed, or used in violation of KRS Chapter 227 shall be seized and destroyed as contraband.

SECTION 22. The following KRS sections are repealed:

431.350 Consumer reporting agency records restriction — Penalty.
432.110 Fraudulently altering enrolled bill.
433.040 Burning personal property to defraud insurer.
433.430 Interfering with communications.
433.450 Removal of injurious substance from highway.
433.690 Wrongfully entering park — Injuring deer, elk or buffalo.
433.710 Fishing in or destroying private fish pond.
433.720 Trespassing — Liabilities of hunters and landowners.
433.780 Occupant of shanty boat landing on private premises.
433.800 Altering or defacing brands.
434.275 False representation of kosher meats and kosher meat preparations — Advertising — Sale.
434.370 Abandonment or failure to return rented motor vehicle.
434.410 Fraudulent changing of speedometer to effect sale of motor vehicle.
434.440 Transmission of false or fraudulent communications over telegraph or telephone lines — Delay of messages.
436.107 Use of obscene language or proposals on telephone — Notice of law on telephone books.
437.014 "Failure to disperse" defined — Penalty.
438.100 Fireworks defined.
438.110 Sale or use of fireworks prohibited — Exceptions for public displays.
438.120 Bond for public display permit.
438.130 Exempted uses and sales of fireworks.
438.140 Penalty for violating fireworks law.
438.143 Samples of exempted novelties to be approved by Fire Marshall before sale — Labeling.
437.095 Shooting fireworks in public places prohibited.

The Committee Amendment No. 1 to **HB 88** is as follows:

Amend printed copy of **HB 88,** page 2, line 2, by deleting the word "he."

HB 85, AN ACT relating to kidnapping.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 509.040 is amended to read as follows:

(1) A person is guilty of kidnapping when he unlawfully restrains another person and when his intent is:

(a) To hold him for ransom or reward; or
(b) To accomplish or to advance the commission of a felony; or
(c) To inflict bodily injury or to terrorize the victim or another; or
(d) To interfere with the performance of a governmental or political function; or
(e) To use him as a shield or hostage.

(2) *Kidnapping is a Class B felony when the victim is released alive and in a safe place prior to trial, except as provided in this section. Kidnapping is a Class A felony when the victim is released alive but the victim has suffered physical injury or serious physical injury during the kidnapping, or as a result of not being released in a safe place, or as a result of being released in any circumstances which are intended, known or should have been known to cause or lead to physical injury or serious physical injury. Kidnapping is a capital offense when the victim is not released alive or when the victim is released alive but subsequently dies as a result of:*

(a) Physical injuries or serious physical injuries suffered during the kidnapping; or
(b) Not being released in a safe place; or
(c) Being released in any circumstances which are intended, known or should have been known to cause or lead to the victim's death.

[Kidnapping is a capital offense unless the defendant voluntarily releases the victim alive, substantially unharmed, and in a safe place prior to trial, in which case it is a Class B felony.]

The Committee Amendment No. 1 to **HB 85** is as follows:

Amend printed copy of **HB 85,** page 1, line 17, by deleting the words "*physical injury or*";

And on page 1, line 21, by deleting the word "*physical*";

And on page 2, line 1, by deleting the word "*injury or*";

And on page 2, line 5, by deleting the words "*Physical injuries or*" and capitalizing the word "*serious*."

HB 280, AN ACT relating to civil and probate jurisdiction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 24A.120 is amended to read as follows:

(1) District court shall have exclusive jurisdiction in:

(a) Civil cases in which the amount in controversy does not exceed one thousand five hundred dollars ($1,500), exclusive of interest and costs except matters affecting title to real estate and matters of equity; *however, nothing herein shall prohibit execution levy on real estate in enforcement of judgment of district court;* and

(b) Matters involving probate, except matters contested in an adversary proceeding. Such adversary proceeding shall be filed in circuit court in accordance with the Kentucky Rules of Civil Procedure and shall not be considered an appeal.

(2) Papers relating to uncontested probate matters shall be filed in the office of the county clerk. In the event a probate matter is contested, the Supreme Court shall by rule provide for filing duplicate papers in circuit and county clerks' offices.

HB 279, AN ACT relating to venue.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 452.480 is amended to read as follows:

An action which is not required by the foregoing provisions of KRS 452.400 to 452.475 to be brought in some other county may be brought in any county in which the defendant, or in which one of several defendants, who may be properly joined as such in the action, resides or is summoned *or in the county where goods were purchased or services performed which give rise to the actions.*

HB 259, AN ACT relating to venue in civil actions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 452 IS CREATED TO READ AS FOLLOWS:

(1) Venue in all actions against the Commonwealth of Kentucky or a department, agency or instrumentality thereof shall be in the district or circuit court where the plaintiff resides or has his principal place of business.

(2) Venue in all actions by the Commonwealth of Kentucky, or a department, agency or instrumentality thereof against a person or corporation in the Commonwealth shall be in the district or circuit court in which the defendant resides or has his principal place of business.

Section 2. KRS 452.505, Revenue and fiscal cases, is repealed.

SB 60, AN ACT relating to civil liability for emergency care.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 411.148 is amended to read as follows:

(1) No physician licensed under KRS Chapter 311, registered or practical nurse licensed under KRS Chapter 314, [or] person certified as an emergency medical technician by the Kentucky department for human resources, *person certified by the American heart association or the American red cross to perform cardiopulmonary resuscitation, or employe of any board of education established pursuant to the provision of KRS 160.160, who has completed a course in first aid and who maintains current certification therein in accordance with the standards set forth by the American red cross* shall be liable in civil damages for administering emergency care or treatment at the scene of an emergency outside of a hospital, doctor's office, or other place having proper medical equipment excluding house calls, for acts performed at the scene of such emergency, unless such acts constitute willful or wanton misconduct.

(2) Nothing in this section applies to the administering of such care or treatment where the same is rendered for remuneration or with the expectation of remuneration.

(3) The administering of emergency care or treatment at the scene of an emergency by employes of a board of education shall not be considered to be rendered for remuneration or with the expectation of remuneration because such personnel perform such care as part of their regular professional or work responsibilities for which they receive their regular salaries from the school board which is their employer.

The Committee on Transportation reported **HB 38** with Committee Substitute attached thereto, **HB 211** with Committee Amendment attached thereto, and **HR 26** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 38, AN ACT relating to parking privileges for handicapped persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) On the application of any person who has lost the use of a leg or both legs, or an arm or both arms, or any combination thereof, or any person who is blind, the county clerk in the county of such person's residence shall issue the handicapped person a special parking permit. The special parking permit issued shall bear the universal handicapped symbol and such permit shall contain the handicapped person's name, the

special parking permit number and such other information as the department of transportation may by regulation require.

(2) The annual fee for a special parking permit shall be two dollars ($2.00) and such permit shall expire on June 30. The application shall be made on a form prepared by the department of transportation and the county clerk of each county shall keep a record of applications filed and permits issued.

(3) For every person seeking a special handicapped parking permit, proof of such handicap shall be required by:

(a) Evidence that the individual has a license plate for a disabled veteran as provided by KRS 186.041; or

(b) The county clerk issuing the permit ascertaining that the applicant is obviously handicapped; or

(c) A statement from a licensed physician that the applicant is a person whose mobility, flexibility, coordination or perceptiveness is significantly reduced by a permanent or temporary disability to that person's arms, legs or eyes.

(4) No unauthorized person shall knowingly possess a special parking permit for the handicapped.

(5) False application for a special parking permit shall constitute a violation of KRS 523.100.

(6) When a motor vehicle displaying a special parking permit issued to a handicapped person as prescribed in this section is being operated by or for the benefit of the handicapped person, the motor vehicle may be parked in a designated handicapped parking place. When parked where a parking limit is imposed, the vehicle may be parked for a period of two (2) hours in excess of the legal parking period permitted by local authorities except where local ordinances or police regulations prohibit parking on a highway for the purpose of creating a fire lane or where the ordinances or police regulations provide for the accommodation of heavy traffic during morning, afternoon or evening hours or where the motor vehicle is parked in such a manner as to clearly be a traffic hazard. No person shall park in a designated handicapped parking area without displaying on the rear view mirror of his motor vehicle a special parking permit issued to the handicapped. No person shall park a vehicle displaying a special parking permit in a designated handicapped parking area when such vehicle is not being used for the benefit of a handicapped person.

(7) No unauthorized person shall knowingly possess a transferable decal for the handicapped.

(8) No person shall make, issue, possess, or knowingly use any imitation or counterfeit of a transferable decal for the handicapped.

Section 2. KRS 186.042 is repealed — Special registration plates and parking privileges for handicapped — Issuance — Violations.

The Committee Substitute to **HB 38** is as follows:

HB 38, AN ACT relating to parking privileges for handicapped persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) On the application of any person who has lost the use of a leg or both legs, or an arm or both arms, or any combination thereof, or any person who is blind, or any person with a severe respiratory ailment, the county clerk in the county of such person's residence shall issue the handicapped person a special parking permit. The special parking permit issued shall bear the universal handicapped symbol and such permit shall contain the handicapped person's name, the special parking permit number and such other information as the department of transportation may by regulation require.

(2) The annual fee payable to the county clerk for a special parking permit shall be two dollars ($2.00) and such permit shall expire on June 30. The application shall be made on a form prepared by the department of transportation and the county clerk of each county shall keep a record of applications filed and permits issued.

(3) For every person seeking a special handicapped parking permit, proof of such handicap shall be required by:

(a) Evidence that the individual has a license plate for a disabled veteran as provided by KRS 186.041 or KRS 186.042; or

(b) The county clerk issuing the permit ascertaining that the applicant is obviously handicapped; or

(c) A statement from a licensed physician that the applicant is a person whose mobility, flexibility, coordination, respiration or perceptiveness is significantly reduced by a permanent or temporary disability to that person's arms, legs, lungs or eyes.

(4) No unauthorized person shall knowingly possess a special parking permit for the handicapped.

(5) False application for a special parking permit shall constitute a violation of KRS 523.100.

(6) When a motor vehicle displaying a special parking permit issued to a handicapped person as prescribed in this section is being operated by or for the benefit of the handicapped person, the motor vehicle may be parked in a designated handicapped parking place. When parked where a parking limit is imposed, the vehicle may be parked for a period of two (2) hours in excess of the legal parking period permitted by local authorities except where local ordinances or police regulations prohibit parking on a highway for the purpose of creating a fire lane or where the ordinances or police regulations provide for the accommodation of heavy traffic during morning, afternoon or evening hours or where the motor vehicle is parked in such a manner as to clearly be a traffic hazard. No person shall park in a designated handicapped parking area without displaying on the rear view mirror of his motor vehicle a special parking permit issued to the handicapped. No person shall park a vehicle displaying a special parking permit in a designated handicapped parking area when such vehicle is not being used for the benefit of a handicapped person.

(7) No unauthorized person shall knowingly possess a transferable decal for the handicapped.

(8) No person shall make, issue, possess, or knowingly use any imitation or counterfeit of a transferable decal for the handicapped.

Section 2. KRS 189.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2) and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, subsection (1) of KRS 189.560, KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, KRS 189.345, *subsection (4) of Section 1 of this Act* and 189.960, shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100) for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than twenty-five dollars ($25) nor more than two thousand dollars ($2,000) or imprisoned in the county jail for not more than one (1) year, or both. Any person who violates paragraph (c) of subsection (4) of KRS 189.390 shall be fined not less than sixteen dollars ($16) nor more than thirty-five dollars ($35). Neither court costs nor fees shall be taxed against any person convicted of violating paragraph (c) of subsection (4) of KRS 189.390.

(2) (a) Any person who violates the weight provisions of KRS 189.221, 189.222, 189.226, 189.230, 189.270 or 189.271 shall, upon conviction, be fined in an amount equal to two cents (2¢) per pound for each pound of excess load when the excess is 2,000 pounds or less, three cents (3¢) per pound when the excess exceeds 2,000 pounds and is 3,000 pounds or less, five cents (5¢) per pound when the excess exceeds 3,000 pounds and is 4,000 pounds or less, seven cents (7¢) per pound when the excess exceeds 4,000 pounds and is 5,000 pounds or less, and nine cents (9¢) per pound when the excess exceeds 5,000 pounds but in no case shall the fine be less than sixty-five dollars ($65) nor more than five hundred dollars ($500).

(b) Any person who violates any provision of subsections (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, or 189.490, for which another penalty is not specifically provided, shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not less than fifteen dollars ($15) nor more than five hundred dollars ($500).

(c) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the bureau of vehicle regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or driver's or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.

(3) Any person who violates KRS 189.170 shall be fined not less than twenty dollars ($20) nor more than fifty dollars ($50) for each day he operates a truck in violation of KRS 189.170.

(4) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than twenty dollars ($20).

(b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than forty dollars ($40) nor more than two hundred dollars ($200).

(5) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than thirty dollars ($30) nor more than one hundred dollars ($100).

(b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than thirty dollars ($30) nor more than one hundred dollars ($100).

(c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.

(6) Any person who violates subsection (1) of KRS 189.370 shall be fined not less than fifteen dollars ($15) nor more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

(7) Any person who violates KRS 189.500 shall be fined not more than twenty dollars ($20) in excess of the cost of the repair of the road.

(8) Any person who violates KRS 189.510 shall be fined not less than twenty-five dollars ($25) nor more than fifty dollars ($50).

(9) (a) Any person who violates subsection (2) of KRS 189.520 shall be fined, for the first offense, not less than one hundred dollars ($100) nor more than five hundred dollars ($500); for the second offense, a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500) and imprisoned for not less than three (3) days nor more than six (6) months; for each subsequent offense he shall be fined not less than one hunded dollars ($100) nor more than five hundred dollars ($500) and imprisoned for not less than thirty (30) days nor more than twelve (12) months.

(b) Any peace officer who violates subsection (3) of KRS 189.520 shall be fined not less than forty dollars ($40) nor more than one hundred dollars ($100).

(10) Any person who violates KRS 189.530 shall be fined not less than forty dollars ($40) nor more than one hundred dollars ($100) or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.

(11) Any person who violates any of the provisions of KRS 189.550 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100) for each offense.

(12) Any person who violates subsection (2) of KRS 189.560 shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100) for each offense.

(13) The fines imposed by paragraph (a) of subsection (4) and subsections (7) and (8) of this section shall, in the case of a public highway, be paid into the county road fund, and in case of a privately owned road or bridge be paid to the owner. These fines shall not bar an action for damages for breach of contract.

(14) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100) for each offense.

(15) Any person who violates any provision of KRS 189.575 shall, upon conviction thereof, be fined not less than fifteen dollars ($15) nor more than twenty-five dollars ($25).

(16) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100) for each offense.

(17) (a) Any person who violates any of the provisions of KRS 189.565 shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200), or imprisoned for not more than thirty (30) days or both.

(b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name such vehicle used in the transportation of inflammable liquids or explosives is licensed, such person shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500). Each violation shall constitute a separate offense:

(18) Any person who abandons a vehicle upon the right-of-way of a state highway for seven (7) consecutive days shall be fined not less than forty dollars ($40) nor more than one hundred dollars ($100) or imprisoned for not less than ten (10) days nor more than thirty (30) days.

(19) Every person convicted for violation of KRS 189.393 shall be punished upon a first conviction by imprisonment for a period of not less than five (5) days nor more than ninety (90) days, or by fine of not less than forty dollars ($40) nor more than five hundred dollars ($500), or by both such fine and imprisonment, and on a second or subsequent conviction shall be punished by imprisonment for not less than ten (10) days nor more than six (6) months, or by a fine of not less than sixty-five dollars ($65) nor more than one thousand dollars ($1,000), or by both such fine and imprisonment.

(20) Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the penalties prescribed in KRS 17.157(2).

(21) A person who elects to operate a bicycle in accord with any regulations adopted pursuant to KRS 189.287 and who willfully violates a provision of such a regulation shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100). A person who operates a bicycle without complying with any regulations adopted pursuant to KRS 189.287 or vehicle safety statutes shall be prosecuted for violation of the latter.

(22) Any person who violates KRS 189.860 shall be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

HB 211, AN ACT relating to operators' licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.531 is amended to read as follows:

(1) The cost of operator's licenses, motorcycle operator's license and permits shall be as follows:

(a) The fee for any *two (2) year* original or renewal license, including motorcycle operator's license, shall be four dollars ($4), except that the fee for a combination motor vehicle-motorcycle operator's license shall be seven dollars ($7). *The fee for any four (4) year original or renewal license, including motorcycle* *operator's license shall be eight dollars ($8), except that the fee for a four (4) year combination motor vehicle-motorcycle operator's license shall be fourteen dollars ($14);*

(b) The fee for any instruction permit shall be fifty (50) cents plus fifty (50) cents for preparing and acknowledging such application;

(c) The fee for a duplicate license shall be two dollars ($2); and

(d) The fee for a non-driver's identification card shall be two dollars ($2).

(2) The circuit clerk shall deposit in the state treasury to the credit of the general fund except as provided in subsection (f) fees pertaining to applications and license fees in the following manner:

(a) One dollar and seventy-five cents ($1.75) of any original and renewal license, except that the fee for a combination motor vehicle-motorcycle operator's license shall be three dollars ($3);

(b) Fifty (50) cents for issuance of any instruction permit;

(c) Fifty (50) cents for preparing and acknowledging an application for an instruction permit;

(d) One dollar and twenty-five cents ($1.25) for preparing and acknowledging an application for a duplicate;

(e) One dollar and twenty-five cents ($1.25) for each non-driver's identification card; and

(f) For each *two (2) year* original *or* [,] renewal[, duplicate] license [and non-driver's identification card,] fifty (50) cents *or for each four (4) year original or renewal license one dollar ($1)* shall be credited to a special account within the state road fund and shall be used by the department of transportation exclusively for the purpose of issuing a photo license.

(3) The remainder of all fees, and other moneys collected by the circuit court clerk shall be forwarded to the department of transportation.

(4) The photo licenses shall be in use and the procedures prescribed by KRS 186.412 and 186.413 shall be fully implemented by January 1, 1975.

Section 2. KRS 186.535 is amended to read as follows:

(1) From the fee for each *two (2) year* original or renewal operator's license, twenty-five (25) cents shall be credited to a special account within the road fund, and shall be used exclusively by the department of transportation for the purpose of expanding the state driver education program, and twenty-five (25) cents shall be paid to the fiscal court of the county where the drivers license is issued to be used by the fiscal court for county road purposes.

(2) From the fee for each four (4) year original or renewal operator's license, fifty (50) cents shall be credited to a special account within the road fund, and shall be used exclusively by the department of transportation for the purpose of expanding the state driver education program, and fifty (50) cents shall be paid to the fiscal court of the county where the driver's license is issued to be used by the fiscal court for county road purposes.

SECTION 3. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

(1) Any person whose family name begins with the letters "A" through "K" inclusive and whose operator's, motorcycle or combination license expires during January through March or October through December inclusive of calendar year 1981 or calendar year 1982 shall, during the expiration month, apply at the office of the circuit court clerk in the county in which he resides, and make application upon a form furnished by the department for a four (4) year renewal license which will expire on his birth month in the year 1985 or 1986, as the case may be, and shall be renewed every four (4) years thereafter during the applicant's birth month.

(2) Any person whose family name begins with the letters "A" through "K" inclusive and whose operator's, motorcycle, or combination license expires during April through September inclusive of calendar year 1981 or calendar year 1982 shall, during the expiration month, apply at the office of the circuit court clerk in the county in which he resides and make application upon a form furnished by the department for a two (2) year renewal license, which will expire on his birth month in the year 1983 or 1984, as the case may be, and shall be renewed every four (4) years thereafter during the applicant's birth month.

(3) Any person whose family name begins with the letters "L" through "Z" inclusive and whose operator's, motorcycle or combination license expires during January through March or October through December inclusive of calendar year 1981 or calendar year 1982 shall, during the expiration month, apply at the office of the circuit court clerk in the county in which he resides and make application upon a form furnished by the department for a two (2) year renewal license, which will expire on his birth month in the year 1983 or 1984 as the case may be, and shall be renewed every four (4) years thereafter during the applicant's birth month.

(4) Any person whose family name begins with the letters "L" through "Z" inclusive whose operator's, motorcycle or combination license expires during April through September inclusive of calendar year 1981 or calendar year 1982 shall, during the expiration month, apply at the office of the circuit court clerk in the county in which he resides and make application upon a form furnished by the department for a four (4) year renewal license, which will expire on his birth month in year 1985 or 1986 as the case may be, and shall be renewed every four (4) years thereafter during the applicant's birth month.

(5) The fee for the two (2) year renewal license issued in 1981 or 1982 shall be four dollars ($4), except that the fee for a combination motor vehicle-motorcycle operator's license shall be seven dollars ($7). Thereafter, the renewal license fee shall be according to the schedule set forth in KRS 186.531. The fee for the four (4) year renewal license shall be according to the schedule set forth in KRS 186.531.

(6) Except as otherwise provided for in subsections (1) through (4) of this section, on and after January 1, 1981, all original and renewal operators', motorcycle and combination licenses shall be renewed every four (4) years during the applicants' birth month.

Section 4. KRS 281.726 is amended to read as follows:

(1) No owner or operator of a motor vehicle used for hire shall permit such motor vehicle to be operated upon the highways unless the driver or chauffeur thereof has obtained a certificate of the department of transportation to the effect that the driver or chauffeur has met its requirements with respect to his health, vision, sobriety, intelligence, care, ability and experience. Certificates shall expire in the same month as the expiration date of the applicant's operator's license issued pursuant to KRS 186.410.

(2) No owner or operator of a motor vehicle used for hire shall permit such motor vehicle to be operated upon the highways unless the driver or chauffeur thereof is at least eighteen (18) years of age.

(3) The circuit clerk of each county shall:

(a) Act for the department of transportation for the purpose of issuing certificates referred to in subsections (1) and (4) of this section;

(b) Issue a certificate, when he has determined that the applicant has fully complied with the law governing applications;

(c) Report to the department of transportation not later than the week following that in which the certificates were issued;

(d) Keep adequate records of all moneys collected and remitted to the department of revenue;

(e) Keep in his office at all times available to the department of transportation a record of all certificates issued in his county.

(4) The cost of the certificate shall be as follows: if the applicant's operator's license expires within six (6) months or less, one dollar ($1); if within seven (7) to twelve (12) months, two dollars ($2); if within thirteen (13) to eighteen (18) months, three dollars ($3); and if within nineteen (19) to twenty-four (24) months, four dollars ($4)*; if within twenty-five (25) to thirty (30) months, five dollars ($5); if within thirty-one (31) to thirty-six (36) months, six dollars ($6); if within thirty-seven (37) to forty-two (42) months, seven dollars ($7); if within forty-three (43) to forty-eight (48) months, eight dollars ($8)*. These costs shall be paid into the state treasury and credited to the state road fund. The holder of such a certificate, at all times when operating a motor vehicle for hire, shall have the certificate in his possession indicating that he is a certified driver or chauffeur.

(5) The department may, for good cause, upon complaint or upon its own motion revoke or suspend any such certificate, and said person shall be entitled to a hearing before the department of transportation.

The Committee Amendment to **HB 211** is as follows:

Amend printed copy of **HB 211,** page 2, lines 18 and 19, by removing the brackets from around the words ", duplicate";

And on page 2, lines 19 and 20, by removing the brackets from around the words "and non-driver's identification card,".

HCR 26, A CONCURRENT RESOLUTION requesting the United States Congress to allocate to each of the state highway departments for maintenance of state and local roads any increase of the federal motor fuels tax if such an increase is deemed necessary by Congress.

WHEREAS, the United States Congress has been provided with data to show that an increase in the motor fuels tax would aid in energy conservation; and

WHEREAS, the United States Congress is reviewing the necessity for an increase as part of the national energy policy; and

WHEREAS, an increase in the federal motor fuels tax would be for conservation purposes rather than generation of revenue; and

WHEREAS, state transportation departments are unable to maintain their roads in sufficiently good condition to insure the safe and expedient movement of goods and people; and

WHEREAS, neither the United States Congress nor the Federal Highway Administration has implemented an adequate program to aid the states with road maintenance problems;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the United States Congress should designate that the increase in the federal motor fuels tax be allocated to each of the state highway departments on a formula basis to aid with the maintenance of state and local roads, should such an increase be deemed necessary by Congress.

Section 2. That a copy of this resolution be transmitted to the United States Congressional Delegation of the Commonwealth of Kentucky, the administrator of the Federal Highway Administration, the Governor of Kentucky and the Secretary of the Department of Transportation.

Calendar

HB 70, HB 161, HB 167, HR 8, HR 9, HR 15, HB 265, and **HB 123** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 8 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 8** be laid on the Clerk's desk.

On the roll call the vote was yeas 65-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Burch, Burnette, Clapp, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Dunn, Ellington, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Layman, LeMaster, List, Little, Mann, May, Moberly, Nett, Overstreet, Petty, Plummer, Priddy, Rapier, Reynolds, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 1-Caldwell.

The motion that **HB 8** be laid on the Clerk's desk was adopted.

HB 95 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Schmidt moved that **HB 95** be passed.

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Nett, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 95 was passed and the title agreed to.

Representative Schmidt moved that the vote by which **HB 95** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 150 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved that **HB 150** be passed.

On the roll call the vote was yeas 75-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Cawood, Clark, Craddock, Crupper, Curd, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Helcringer, Hines, Isler, Johnson, Kenton, Kidd, Layman, Little, Lundergan, Mann, May, Maynard, McBee, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 8-Allen, Caldwell, Clapp, DeFalaise, Guenthner, Haering, Holloway and Turner.

HB 150 was passed and the title agreed to.

Representative Weinberg moved that the vote by which **HB 150** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of **HB 214** be deferred and that it retain its position in Orders of the Day. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HJR 27** and **HCR 35** have been examined and found correctly enrolled. **HJR 27** and **HCR 35** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HJR 27 and **HCR 35** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Speaker Pro Tempore Hancock presiding.

Motions, Petitions, and Communications

Representative Priddy moved that **HB 56** be withdrawn. Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Haering, **HB 108, HCR 26;** Representative Riner, **HB 359, HB 364.**

The following members filed requests to have their names withdrawn as co-sponsors of Bills and Resolutions: Representative Noe, **HR 30;** Representative Rattliff, **HB 262.**

Representative Van Horn moved the adoption of the following **HR 45:**

HR 45, A RESOLUTION honoring the Marmota monax and expressing the desire of the General Assembly for a favorable meteorological prognostication.

WHEREAS, February 2 is recognized throughout North America as groundhog day; and

WHEREAS, this humble animal has, since time immemorial, prognosticated climatic changes for mankind; and

WHEREAS, nowhere in the annals of recorded history have such prognostications been proven inaccurate, erroneous or false; and

WHEREAS, the minds and hearts of men eagerly await the result of this annual shadow boxing, and never more than this year would all so eagerly awaiting hope for his favorable prediction;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the House adjourn this day, Friday, February 1, 1980, in honor of the humble woodchuck with the hope for his favorable prediction of an early spring.

On the roll call the vote was yeas 64-Adams, Allen, Barrows, Bennett, Blandford, Brown, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Hancock, Hines, Holbrook, Holloway, Johnson, Jones, Layman, LeMaster, List, Little, Lundergan, May, McBee, McKinney, Moberly, Noe, O'Brien, Petty, Plummer, Priddy, Rapier, Reynolds, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, Weinberg, White, Williams, Yates. Nays 10-Bendl, Boswell, Bronger, Kidd, McNutt, Overstreet, Schmidt, Thomason, Worthington, Wright.

HR 45 was adopted and the title agreed to.

Representative Clarke announced a meeting of the Appropriations and Revenue budget subcommittee chairmen on adjournment today of both Houses, Room 316.

Representative Clarke announced a meeting of the Committee on Appropriations and Revenue, Monday, Room A, 1 p.m.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Posting of Bills and Resolutions for Consideration. Agreed.

Introduction of Bills and Resolutions (continued)

HB 416, by Representative Priddy and Holloway: AN ACT relating to procedures for hearing complaints against police officers.

HB 417, by Representative Priddy and Romines: AN ACT relating to parking regulations.

HB 418, by Representatives Richards, Holbrook, Adams, Layman, Tobin, Clapp, and May: AN ACT relating to crimes and punishments.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Elections and Constitutional Amendments: **HB 294, HB 354, HB 348, HB 324.**

Health and Welfare: **HB 141.**

Education: **HB 137, SR 2, SB 85.**

Banking and Insurance: **HB 397.**

Labor and Industry: **HB 182, HB 377, HB 365.**

State Government: **HB 336, HB 325, HB 355.**

The Speaker announced a meeting of the Committee on Rules on adjournment.

Adjournment

Representative B. Richardson moved that the House adjourn until 4 p.m., Monday, February 4, 1980.

On the roll call the vote was yeas 72-Adams, Allen, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burnette, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Hancock, Head, Hines, Holloway, Isler, Johnson, Kidd, Layman, List, Little, Lundergan, May, McBee, Moberly, Nett, Noe, O'Brien, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Yates. Nays 5-Guenthner, LeMaster, Overstreet, Robinson, Wright.

The motion to adjourn was adopted.

MONDAY, FEBRUARY 4, 1980

SEVENTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Father David Gamm, Church of the Good Shepherd, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of February 1, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 419, by Representatives Thomason, Ellington, and Boswell: AN ACT relating to controlled substances.

HB 420, by Representatives Van Horn, Weinberg, and Burnette: AN ACT relating to the designation of the coon hound as the official state dog of the Commonwealth of Kentucky.

HB 421, by Representative Van Horn: AN ACT relating to motor vehicle usage tax.

HB 422, by Representative Van Horn: AN ACT relating to real estate transfer tax.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 410, HB 411.**

Business Organizations and Professions: **HB 414.**

Education: **HB 412.**

Judiciary: **HB 408, HB 409, HB 415, HB 416, HB 418.**

State Government: **HB 413.**

Transportation: **HB 417.**

Report of Committees

The Committee on Rules reported **HB 177, HJR 8,** and **HR 9** have been posted for passage in Orders of the Day, February 5, 1980.

The Committee on Rules reported **HCR 7** has been recommitted to the Committee on State Government.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Banking and Insurance: **HB 406, HB 407.**

Elections and Constitutional Amendments: **HB 394.**

Health and Welfare: **HB 90, HB 215, HB 288, HB 338, HB 362, HB 364, HB 403, HB 404, HR 33, SB 53.**

Agriculture and Small Business: **HB 382, HB 391.**

Representative Johnson filed the following Floor Amendment No. 1 to **HB 279:**

Amend printed copy of **HB 279,** page 1, following line 9, by inserting the following:

"Section 2. KRS 24A.260 is amended to read as follows:

(1) The plaintiff shall commence an action in the small claims division by filing a claim on a form provided by the clerk.

(2) The plaintiff may bring an action in the small claims division in the judicial district where the party defendant or his agent resides or is doing business, *or in the county where the goods were purchased or services performed which give rise to the action.*"

Representative Blandford filed the following Floor Amendment No. 1 to the Committee Substitute to **HB 123:**

Amend printed copy of Committee Substitute for **HB 123,** page 11, line 8, by inserting the following:

Section 4. KRS 13.084 is amended to read as follows:

(1) Each administrative body shall file within *two (2) months* [one (1) year] of *the effective date of this Act,* [July 1, 1974,] in accordance with the provisions of KRS chapter 13, all regulations which were adopted by such administrative body *on or after* [prior to] July 1, 1974, and which *became* [are still] effective *over the objections of the administrative regulation review subcommittee and the appropriate interim joint committee or standing committees* [and all regulations which were adopted by such administrative body prior to July 1, 1974 and which do not become effective until after July 1, 1974].

(2) *Any regulation submitted in accordance with subsection (1) of this section shall be suspended if disapproved by the administrative regulation review subcommittee when the general assembly is in regular session or by the administrative regulation review subcommittee and the appropriate interim joint committee when the general assembly is not in regular session. In reviewing a regulation submitted in accordance with subsection (1) of this section, the administrative regulation review subcommittee and the appropriate interim joint committee shall act in the manner prescribed by KRS 13.087. Any suspended regulation shall be transmitted to the general assembly in the manner prescribed by 13.087 and shall become effective upon sine die adjournment of the general assembly unless revoked by concurrent resolution* [All regulations filed prior to July 1, 1974, whether or not they shall have become effective, are rescinded effective one (1) year after July 1, 1974].

Calendar

HB 88, HB 85, HB 280, HB 279, HB 259, SB 60, HB 38, HB 211, and **HR 26** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 214 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 214** be laid on the Clerk's desk.

On the roll call the vote was yeas 65-Adams, Arnold, Barrows, Bendl, Blandford, Blythe, Brinkley, Bronger, Bruce, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Curd, Davenport, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Holbrook, Holloway, Johnson, Jones, Kenton, Lewis, List, Little, Lundergan, May, McNutt, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Sale, Schmidt, Smith, Stone, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Worthington, Wright. Nays 4-Boswell, Isler, LeMaster, Yates.

The motion that **HB 214** be laid on the Clerk's desk was adopted.

HB 111, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of the Committee Amendment No. 1 to **HB 111.** Agreed.

Representative Arnold moved that **HB 111,** as amended, be passed.

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 5-Brown, Burch, Cyrus, Fryman, Layman.

HB 111, as amended, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 111,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 143 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved that **HB 143** be passed.

On the roll call the vote was yeas 70-Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, List, Lundergan, Mann, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Robinson, Sale, Smith, Stone, Stumbo, Thomason, Tobin, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 27-Adams, Allen, Blythe, Caldwell, DeFalaise, DeMarcus, Fryman, Guenthner, Haering, Johnson, Jones, Layman, LeMaster, Lewis, Little, Maynard, McNutt, Patrick, Plummer, Priddy, Rattliff, Riner, Romines, Schmidt, Turner, Van Horn, Wright.

HB 143 was passed and the title agreed to.

Representative Weinberg moved that the vote by which **HB 143** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 30 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Brinkley moved that **HR 30** be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Wright, Yates. Nays 1-Barrows.

HR 30 was passed and the title agreed to.

Motions, Petitions and Communications

Speaker Pro Tempore Hancock presiding.

Representative Burch moved that **HB 214** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 72-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Curd, Cyrus, Davenport, DeFalaise, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kidd, Layman, List, Little, Mann, May, Maynard, McKinney, McNutt, Moberly, Morris, Nett, Noe, Patrick, Pearman, Petty, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Weinberg, White, Williams, Worthington, Yates. Nays 13-Blythe, Clapp, Crupper, Ellington, Freibert, Guenthner, Jones, Lewis, O'Brien, Plummer, Thomason, Van Horn, Wright.

The motion that **HB 214** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative Johnson moved that **HB 8** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, McNutt, Moberly, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

The motion that **HB 8** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Senate Message

Announcing passage of **SB 18, SB 29, SJR 11, SB 21,** and **SB 33.**

Motions, Petitions, and Communications (continued)

Representative Gray moved that **HB 365** be returned to the Committee on Committees for reassignment.

On the roll call the vote was yeas 66-Allen, Bennett, Blair, Boswell, Bronger, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kidd, Layman, LeMaster, List, Little, May, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, P. Richardson, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Wright, Yates. Nays 1-Guenthner.

The motion that **HB 365** be returned to the Committee on Committees for reassignment was adopted.

Representative Blair moved that he be recorded as voting "yea" on **HB 83, HB 51, HB 104, HB 122, HB 94, HB 150,** and **HB 95.** Agreed.

Representative Turner moved the adoption of the following Legislative Citation No. 21:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Allen County's Girls' Basketball Team and their fine Coach, Mr. David Young, for your spectacular and grand performance in winning the Championship in the Eighth Annual Girls' Louisville Invitational Tournament by defeating third-ranked Oldham County in an easy victory, January 26, 1980, at Bellarmine College. Your exceptional victory over top-ranked Laurel County in breaking Kentucky's longest basketball winning streak of seventy-three games was sensational, inevitable and truly an explosion of joy for you. You have bestowed great honor and prestige upon your school and community. We are proud of you and we commend you for your patience, faith and hard work. Best wishes for continued success. (Sponsored by Representative Turner)

Agreed.

Representative Farrow moved that **HB 373** be returned to the Committee on Committees for reassignment.

On the roll call the vote was yeas 61-Allen, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Bronger, Bruce, Burch, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Davenport, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Head, Heleringer, Holloway, Isler, Johnson, Layman, LeMaster, Lewis, List, Little, Mann, McBee, McKinney, Moberly, Morris, Noe, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Van Horn, Wilborn, Williams, Worthington, Wright. Nays 0.

The motion that **HB 373** be returned to the Committee on Committees for reassignment was adopted.

Representative Stumbo moved the adoption of the following Legislative Citation No. 22:

The House of Representatives of the Commonwealth of Kentucky hereby extends our heartfelt sympathy to the family of the late Reverend Mitchell Chaffins of Floyd County, Kentucky, who departed this life Sunday, February 3, 1980. As a minister, Reverend Chaffins served for a great number of years without compensation; however, his reward was a demonstration of love and affection and a multitude of friends showered upon him. His life as a pastor and minister reflected a lifetime of dedicated service for the improvement of mankind. This honorable body mourns the passing of this very distinguished and dedicated servant of God, and we join in sympathy with his devoted family, church members and friends in this your hour of sorrow. (Sponsored by Representative Stumbo)

Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Allen, **HB 261;** Representative Farrow, **HB 395;** Representative Freibert, **HB 209;** Representative Guenthner, **HCR 7;** Representative Hines, **HB 163, HB 166;** Representative Petty, **HR 9.**

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 423, by Representatives Brown, Blair, and Moberly: AN ACT relating to court of justice.

HB 424, by Representatives Williams, Holbrook, Guenthner, Heleringer, DeFalaise, and Van Horn: AN ACT relating to the provision of attorneys for the defense of persons in civil and criminal cases.

HB 425, by Representative Pearman: AN ACT relating to elections.

HB 426, by Representative Pearman: AN ACT relating to the licensing of motor vehicles.

HB 427, by Representative Pearman: AN ACT relating to county clerks.

HB 428, by Representative Pearman: AN ACT relating to voter registration.

HB 429, by Representatives Deskins and Holbrook: AN ACT relating to courts.

HB 430, by Representative B. Richardson: AN ACT relating to municipally owned electrical utilities.

HB 431, by Representative Thomas: AN ACT relating to alcoholic beverage control.

HB 432, by Representative Thomas: AN ACT relating to police in cities of the fourth and fifth classes.

HB 433, by Representatives Stone, Farrow, P. Richardson, Crupper, Rapier, Hancock, Sale, Foster, Brinkley, and Wilborn: AN ACT relating to sick leave credit for retiring state employes.

HB 434, by Representative Maynard: AN ACT relating to homeowners' insurance.

HB 435, by Representative Clarke: AN ACT relating to campaign contributions.

HCR 46, by Representative DeFalaise: A CONCURRENT RESOLUTION urging and requesting the Court of Justice to consider amending the rules to provide for fining the offending attorney but permitting late filing of appeals in certain cases.

HR 47, by Representatives Bronger and Yates: A RESOLUTION urging the Secretary of the Department for Human Resources to respond to a request by Representative Wright for information on the Energy Cost Assistance Program.

Posting of Bills and Resolutions (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Business Organizations and Professions: **HB 166.**

Announcements

A meeting of the Democratic caucus was announced for tomorrow, State Reception Room, 1 p.m.

A meeting of the Republican caucus was announced for tomorrow, Office of the Legislative Research Commission, 1 p.m.

The Committee chairmen announced the following meetings:

Transportation: Tomorrow, Room 9, 9 a.m.

Appropriations and Revenue: Subcommittee on Budget Review, tomorrow, Room 307, 8 a.m.

Natural Resources and Environment: Tomorrow, Mail Room, 10 a.m.

The Speaker announced a meeting of the Committee on Rules, on adjournment, Room 307.

Adjournment

Representative B. Richardson moved that the House adjourn until 2 p.m., Tuesday, February 5, 1980.

On the roll call the vote was yeas 75-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kidd, Layman, Lewis, List, Little, Lundergan, May, Maynard, McBee, Moberly, Noe, O'Brien, Pearman, Petty, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 8-Deskins, Guenthner, LeMaster, Overstreet, Priddy, Robinson, Romines, Wright.

The motion to adjourn was adopted.

TUESDAY, FEBRUARY, 5, 1980

EIGHTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Brother Emeric Hornick, Bellarmine College, Louisville.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of February 4, 1980, be dispensed with and the same approved. Agreed.

Senate Message

Announcing passage of **SB 7, SB 40, SB 45, SB 109,** and **HB 117.**

Recess

Representative B. Richardson moved that the House recess for thirty minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Introduction of Bills and Resolutions

HB 436, by Representatives Crupper and P. Richardson: AN ACT relating to retired teachers.

HB 437, by Representatives Bennett and Van Horn: AN ACT relating to the board of housing, buildings, and construction.

HB 438, by Representative List: AN ACT relating to presidential preference primaries.

HB 439, by Representative Holbrook: AN ACT relating to libraries.

HB 440, by Representatives Turner, Allen, Holloway, Deskins, Bronger, Moberly, Brown, Sale, Hines, Van Horn, Johnson, and Fryman: AN ACT relating to special license plates.

HB 441, by Representative Cyrus: AN ACT RELATING to insurance.

HB 442, by Representative Cyrus: AN ACT relating to insurance.

HB 443, by Representative Hines: AN ACT relating to small and minority businesses.

HB 444, by Representative Van Horn: AN ACT relating to railroad safety.

HB 445, by Representatives Reynolds, Fryman, Turner, and Blair: AN ACT relating to selection of candidates for the fish and wildlife commission.

HB 446, by Representative Stone: AN ACT relating to eminent domain.

HB 447, by Representatives Van Horn, Stone, Blair, Dawahare, Brown, Bennett, and Sale: AN ACT relating to motor vehicle operator's licenses.

HB 448, by Representative B. Richardson: AN ACT relating to mortgage liens and their priorities.

HB 449, by Representative B. Richardson: AN ACT relating to Debt Collecting Expenses.

HB 450, by Representatives Bendl, Hines, Nett, and Priddy: AN ACT relating to education.

HB 451, by Representative P. Richardson: AN ACT relating to consumer loans and credit transactions.

HB 452, by Representatives Layman, Allen, Plummer, and Fryman: AN ACT relating to small claims court.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **SB 29.**

Appropriations and Revenue: **HB 421, HB 422.**

Banking and Insurance: **HB 434.**

Business Organizations and Professions: **HB 365, HB 431.**

Cities: **HB 432, SB 18, SB 21.**

Counties and Special Districts: **HB 427.**

Elections and Constitutional Amendments: **HB 425, HB 428, HB 435, SB 33.**

Energy: **HB 430.**

Health and Welfare: **HR 47.**

Judiciary: **HB 373, HB 419, HB 423, HB 424. HB 429, HCR 46.**

State Government: **HB 420, HB 433, SJR 11.**

Transportation: **HB 426.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Energy: **HB 316, HB 381, HB 384, HB 390, HB 392, HB 168, HB 284, HR 23, HR 28, HR 29, HCR 42, SB 47.**

Judiciary: **HB 318, HB 415, HCR 20, HB 229, HB 356, HB 396, HB 385.**

Cities: **HB 308.**

Report of Committees

The Committee on Rules reported **HB 37, HB 70, HB 158, HB 240, HB 279, HB 280,** and **HCR 26** have been posted for passage in Orders of the Day, February 6, 1980.

The Committee on Rules reported **HB 18** has been recommitted to the Committee on State Government.

The Committee on State Government reported **HR 12** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 12, A RESOLUTION in memory of John B. Breckinridge.

WHEREAS, among distinguished Kentuckians few were peer to John B. Breckinridge, who served the Commonwealth eminently as her Attorney General, member of the House of Representatives, and United States Congressman; and

WHEREAS, the achievements of John B. Breckinridge, though many and mighty, remained ever secondary to his compassion for and devotion to those of his fellows fortunate enough to have benefitted from his lifetime of public service; and

WHEREAS, though his name was synonymous with political prominence in Kentucky, John B. Breckinridge relied instead on his innate qualities of courtesy, humility, insight, an unerring sense of propriety, and constant diligence and aptitude to bear him across a political career spanning four decades; and

WHEREAS, throughout this most remarkable of careers, this honorable gentleman seemed never too busy nor preoccupied to bestow a kind word, a friendly greeting or a helping hand to those many who sought his assistance or advice;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives does hereby express its most heartfelt sense of loss and bereavement upon the death of John B. Breckinridge, and does hereby extend deepest sympathy to his family.

Section 2. That the Clerk be directed to transmit a copy of this resolution to the family of John B. Breckinridge.

Section 3. That when the House of Representatives does adjourn this day it does so in honor and loving memory of John B. Breckinridge.

The Committee on Transportation reported **HB 206,** with Committee Amendment attached thereto, and **HB 103** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 206, AN ACT relating to motor vehicle registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.045 is amended to read as follows:

(1) Financing statements relating to vehicles required to be registered in Kentucky by the county clerk shall be filed in the office of the county clerk of the county in which the debtor resides or, if the debtor is a nonresident, in the office of the county clerk in which the vehicle is principally operated.

(2) (a) Whenever a financing statement required by KRS chapter 355 relating to any vehicle registered or required to be registered in Kentucky for use on the highway is presented to a county clerk for filing, such clerk shall also immediately note information required by the department relative thereto on the owner's copy of the certificate of registration and ownership or transfer receipt issued for the current registration period as noted in subsection (2) of KRS 186.170, which the secured party must obtain and present to the county clerk, along with the financing statement, within *ten (10)* [fifteen (15)] days, *exclusive of Sundays and holidays,* after execution of the security agreement. The clerk shall also note such information on the clerk's copy of the certificate of registration and ownership or transfer receipt maintained in his office in numerical order. The clerk noting the information on the owner's copy of the certificate of registration and ownership or transfer receipt shall return such receipt to the owner within five days after making such notation. For filing the financing statement, the clerk shall collect a fee pursuant to KRS 64.012 from the secured party and, in addition, for noting the security interest on the required receipts, the clerk shall collect from the secured party a fee pursuant to KRS 64.012 for each additional motor vehicle included on the financing statement.

(b) Whenever a financing statement affecting a vehicle is presented to a county clerk for filing in any county other than the one in which the current receipt was issued, the county clerk shall, in addition to the other requirements of this section, mail a notice of the security interest on a form furnished by the department to the clerk of the county in which the current receipt was issued. Upon receipt of said notice, the county clerk shall attach it to the copy of the current receipt on file, maintained in numerical order, in the county clerk's office and note the security interest on the clerk's copy of the receipt.

(3) For failure to present both the current receipt and financing statement within the time prescribed by subsection (2)(a), the secured party shall *pay a penalty of two dollars ($2) to the county clerk as a prerequisite for noting the security interest on the current receipt* [not be allowed thereafter to file the financing statement in order to perfect the security interest thereon].

(4) Whenever a perfected security interest is assigned, the assignor shall immediately give a statement of assignment to the assignee and at the same time deliver another copy of such statement to the debtor. The assignee shall, within thirty (30) days thereafter, present a copy of the statement of assignment to the county clerk in whose office the financing statement is on file. Upon receipt of the assignment, the county clerk shall mark the same as provided in subsection (2) of KRS 355.9-405 and attach it to the original financing statement. For this service the county clerk shall collect a fee pursuant to KRS 64.012.

(5) Whenever a security interest has been discharged, other than by proceedings under KRS 355.9-501 through 355.9-507 or similar proceedings, the secured party shall, within fifteen (15) days thereafter, deliver a termination statement in the manner required by KRS 355.9-404 to the county clerk of the county in which the financing statement is filed. For failure to file the termination statement within the allowable time, the secured party shall be subject to the penalty provided in KRS 186.990(1). Within five (5) days after the receipt of such documents, the county clerk shall note the filing in the index and, in addition, note on the clerk's copy of the current receipt maintained in his office in numerical order, in language prescribed by the department that the termination statement has been filed. Upon presentation of the owner's copy of the receipt showing such security interest, the clerk shall also note on such receipt that the termination statement has been filed and place the seal of the county clerk thereon. The clerk shall return the owner's receipt to the owner. The county clerk shall remove the financing statement from his files, mark "terminated" thereon and send or deliver it to the secured party along with any continuation statement, statement of assignment or statement of release pertaining thereto. The county clerk shall then file the termination statement in the place from which the financing statement was removed. Termination statements must be retained in the clerk's files for a period of two (2) years subsequent to the date of filing such statement, at which time they may be destroyed. No fee shall be collected for these services by the clerk. Once a security interest has been noted on the owner's copy of a certificate of registration and ownership or transfer receipt, no subsequent certificate of registration and ownership or transfer receipt may be issued by any county clerk free of such notation unless the owner's copy of the current receipt is presented to the clerk and it has noted thereon by the proper county clerk that the termination statement therefor has been filed. If this requirement is met, information relating to any security interest shown on the receipt as having been terminated may be omitted from the receipt to be issued by the clerk.

(6) Whenever any secured party repossesses a vehicle registered with a county clerk, for which a financing statement has been filed, and disposes of such vehicle pursuant to the provisions of KRS chapter 355, he must present, within fifteen (15) days after such disposition, an affidavit in form prescribed by the department and a termination statement or proof that such termination statement has been filed. The new owner shall pay all applicable fees for registering and transferring the vehicle to the county clerk. Upon receipt of such documents, the county clerk who issued the current receipt shall then omit from the certificate of registration and ownership or transfer receipt he issues any information relating to the security interest under which the vehicle was repossessed or any security interest subordinate thereto. However, any security interest, as shown by such clerk's copy of the current receipt, which is superior to the one under which the vehicle was repossessed, must be shown on the receipt issued by the clerk unless the prior secured party has terminated such security interest in such clerk's office or proof of termination is submitted in case such prior security interest was discharged in another clerk's office.

(7) Whenever any vehicle brought into this state is required to be registered with a county clerk and such vehicle is then subject to a security interest in another state as shown by the out of state documents presented to the clerk, the county clerk is prohibited from registering the vehicle unless the owner obtains from the secured party a financing statement and presents same to the clerk along with all fees due. Such a financing statement must conform to the requirements of subsection (3) of KRS 355.9-402. The clerk shall note the out of state security interest on the new registration receipt and on the clerk's copy thereof. This provision does not apply to vehicles required to be registered in Kentucky under forced registration provisions under KRS 186.145. The penalty provided in subsection (3) of this section shall not apply to this subsection.

(8) The fees provided for in this section are in addition to any state fee provided for by law.

(9) Any person violating any provision of this section or any person refusing to surrender a certificate of registration and ownership or transfer certificate upon request of any person entitled thereto, is subject to the penalties provided in subsection (1) of KRS 186.990.

(10) The county clerk is prohibited from filing any financing statement on any vehicle subject to the provisions of this section if a certificate of registration and ownership or transfer receipt therefor is presented to him which has all the spaces provided thereon for noting security interests fully exhausted. The owner must see to it that a termination statement is filed for each discharged security interest and then a duplicate receipt as provided for in KRS 186.180 must be obtained from the clerk by the owner of the vehicle.

(11) Security interests in vehicles sold to or owned by residents of other states must be perfected in the state of such nonresident and repossession of the vehicle must be taken pursuant to the laws of such state, unless the vehicle is principally operated in Kentucky and is properly registered herein under KRS 186.020 and the security interest is authorized to be filed with the county clerk under KRS 355.9-401. However, a security interest on any vehicle which is not used on the public highways and for that reason is not required to be registered for highway use may be filed with the county clerk as otherwise permitted under KRS chapter 355.

The Committee Amendment No. 1 to **HB 206** is as follows:

Amend printed copy of **HB 206,** page 1, on line 19, by deleting after the word "within" "*ten (10)*"

and deleting the brackets around the word "fifteen (15)" on lines 19 and 20.

HB 103, AN ACT relating to motor vehicle driving records.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 187.310 is amended to read as follows:
The department shall, upon request, furnish any person a certified abstract of the operating record of any person subject to the provisions of KRS 187.290 to 187.620, which abstract shall also fully designate the motor vehicles, if any, registered in the name of such person, and if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the department shall so certify. *The certified abstract shall not include information concerning any violation of the law, injury, or damage which occurred earlier than three years prior to the request.* Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. The certified abstract shall not include accident reports filed with the bureau of state police under KRS 189.635 and the department shall not furnish to any person the accident report of a driver other than himself.

The Committee on Judiciary reported **HB 86,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 86, AN ACT relating to domestic abuse.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 530 IS CREATED TO READ AS FOLLOWS:
(1) A person is guilty of domestic abuse when he intentionally or wantonly causes physical injury to his spouse.
(2) Domestic abuse is a Class A misdemeanor.
SECTION 2. A NEW SECTION OF KRS CHAPTER 530 IS CREATED TO READ AS FOLLOWS:
Any peace officer may arrest without warrant any person he has probable cause for believing has committed the crime of domestic abuse.
SECTION 3. A NEW SECTION OF KRS CHAPTER 530 IS CREATED TO READ AS FOLLOWS:
(1) The marital privilege contained in KRS 421.210 shall not apply to prosecutions for the crime of domestic abuse.
(2) A husband or wife may be compelled to testify for or against the other in a prosecution for the crime of domestic abuse.
SECTION 4. A NEW SECTION OF KRS CHAPTER 530 IS CREATED TO READ AS FOLLOWS:
The provisions of Section 1 of this Act do not preclude a charge under any other appropriate provision of the penal code.

The Committee Substitute to **HB 86** is as follows:

HB 86, AN ACT relating to domestic abuse.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 431.005 is amended to read as follows:

(1) A peace officer may make an arrest in obedience to a warrant, or without a warrant when a felony or misdemeanor is committed in his presence or when he has reasonable grounds to believe that the person being arrested has committed a felony.

(2) *Any peace officer may arrest without warrant any person he has probable cause for believing has wantonly caused physical injury to his spouse, parent, grandparent, child, or stepchild or with recklessness has caused physical injury to his spouse, parent, grandparent, child, or stepchild by means of a deadly weapon or a dangerous instrument.*

(3) A private person may make an arrest when a felony has been committed in fact and he has reasonable grounds to believe that the person being arrested has committed it.

Section 2. KRS 421.210 is amended to read as follows:

(1) *(a)* In all actions between husband and wife, or between either or both of them and another, either or both of them may testify as other witnesses, except as to confidential communications between them during marriage, provided, however, that in an action for absolute divorce or divorce from bed and board, either or both of them may testify concerning any matter involved in the action, including questions of property, and provided further, that neither may be compelled to testify for or against the other.

(b) In any action for violation of KRS Chapter 508 any married person who is the victim of the assault may voluntarily testify against a spouse charged with the offense in which case subsection (1)(a) of this section shall not apply.

(2) Subject to the provisions of subsection (7) of this section, no person shall testify for himself concerning any verbal statement of, or any transaction with, or any act done or omitted to be done by an infant under fourteen years of age, or by one who is of unsound mind or dead when the testimony is offered to be given except for the purpose, and to the extent, of affecting one who is living, and who, when over fourteen years of age and of sound mind, heard such statement, or was present when such transaction took place, or when such act was done or omitted, and except in actions for personal injury, death or damage to property by negligence or tortious acts, unless:

(a) The infant or his guardian shall have testified against such person, with reference to such statement, transaction or act; or

(b) The person of unsound mind shall, when of sound mind, have testified against such person, with reference thereto; or

(c) The decedent, or a representative of, or someone interested in, his estate, shall have testified against such person, with reference thereto; or

(d) An agent of the decedent or person of unsound mind, with reference to such act or transaction, shall have testified against such person, with reference thereto, or be living when such person offers to testify, with reference thereto.

(3) No person shall testify for himself, in chief, in an ordinary action, after introducing other testimony for himself, in chief; nor in an equitable action, after taking other testimony for himself, in chief.

(4) No attorney shall testify concerning a communication made to him, in his professional character, by his client, or his advice thereon, without the client's consent; nor shall an ordained minister, priest, rabbi or accredited practitioner of an established church or religious organization be required to testify in any civil or criminal case or proceedings preliminary thereto, or in any administrative proceeding, concerning any information confidentially communicated to him in his professional capacity under such circumstances that to disclose the information would violate a sacred or moral trust, unless the person making the confidential communication waives such privilege herein provided.

(5) If the right of a person to testify for himself be founded upon the fact that one who is dead or of unsound mind has testified against him, the testimony of such person shall be confined to the facts or transactions to which the adverse testimony related.

(6) A person may testify for himself as to the correctness or original entries made by him against persons who are under no disability — other than infancy — in an accounting, according to the usual course of business though the person against whom they were made may have died or have become of unsound mind; but no person shall testify for himself concerning entries in a book, or the contents or purport of any writing, under the control of himself, or of himself and others jointly, if he refuse or fail to produce such book or writing, and to make it subject to the order of the court for the purposes of the action, if required to do so by the party against whom he offers to testify.

(7) The assignment of a claim by a person who is incompetent to testify for himself shall not make him competent to testify for another.

(8) A party may be examined as if under cross-examination at the instance of the adverse party, either orally or by deposition as any other witness; but the party called for such examination shall not be concluded thereby, but may rebut it by counter testimony.

(9) None of the preceding provisions of this section apply to affidavits for provisional remedies, or to affidavits of claimants against the estates of deceased or insolvent persons, or affect the competency of attesting witnesses of instruments which are required by law to be attested.

The Committee on Cities reported **HB 10,** with Committee Amendments attached thereto, and **HB 59** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 10, AN ACT relating to cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 86 IS CREATED TO READ AS FOLLOWS:

(1) Ten percent (10%) of the voters residing in a city of the fourth class may petition the circuit court of the county in which a greater part of the city is located asking that its charter be dissolved.

(2) The petition shall be signed by each petitioner, and filed in the office of the circuit court clerk. The petitioners shall cause notice of the filing of the petition and the object thereof to be published pursuant to KRS Chapter 424. The petition shall set out the metes and bounds of the city, the number of voters and inhabitants residing within the boundaries, and any other facts thought proper.

(3) If the circuit court clerk, upon review, determines that the petitioners have complied with subsections (1) and (2) of this section, a vote on the question of dissolution shall be included on the ballot at the next regularly scheduled election, provided such election shall not be held less than sixty (60) days after the petition is filed. The question shall be stated so that an affirmative vote shall be in favor of dissolution and a negative vote shall be in opposition.

(4) Whenever the charter of any town is dissolved in the manner hereinabove provided, the clerk of the circuit court wherein the dissolution petition was filed shall, not later than ten (10) days thereafter, notify the secretary of state whose duty it shall be to properly index and file the same as a permanent record in his office.

SECTION 2. A NEW SECTION OF KRS CHAPTER 87 IS CREATED TO READ AS FOLLOWS:

(1) Ten percent (10%) of the voters residing in a city of the fifth class may petition the circuit court of the county in which a greater part of the city is located asking that its charter be dissolved.

(2) The petition shall be signed by each petitioner, and filed in the office of the circuit court clerk. The petitioners shall cause notice of the filing of the petition and the object thereof to be published pursuant to KRS Chapter 424. The petition shall set out the metes and bounds of the city, the number of voters and inhabitants residing within the boundaries, and any other facts thought proper.

(3) If the circuit court clerk, upon review, determines that the petitioners have complied with subsections (1) and (2) of this section, a vote on the question of dissolution shall be included on the ballot at the next regularly scheduled election, provided such election shall not be held less than sixty (60) days after the petition is filed. The question shall be stated so that an affirmative vote shall be in favor of dissolution and a negative vote shall be in opposition.

(4) Whenever the charter of any town is dissolved in the manner hereinabove provided, the clerk of the circuit court wherein the dissolution petition was filed shall, not later than ten (10) days thereafter, notify the secretary of state whose duty it shall be to properly index and file the same as a permanent record in his office.

Section 3. KRS 88.020 is amended to read as follows:

(1) *Ten percent (10%)* [A majority] of the voters residing in a city of the sixth class may petition the circuit court of the county in which a greater part of the city is located asking that its charter be dissolved.

(2) The petition shall be signed by each petitioner, and filed in the office of the circuit court clerk. The petitioners shall cause notice of the filing of the petition and the object thereof to be published pursuant to KRS chapter 424. The petition shall set out the metes and bounds of the city, the number of voters and inhabitants residing within the boundaries, and any other facts thought proper.

(3) *If the circuit court clerk, upon review, determines that the petitioners have complied with subsections (1) and (2) of this section, a vote on the question of dissolution shall be included on the ballot*

at the next regularly scheduled election, provided such election shall not be held less than sixty (60) days after the petition is filed. The question shall be stated so that an affirmative vote shall be in favor of dissolution and a negative vote shall be in opposition. [Defense may be made to the petition by any voter of the town, and if a defense is made the court shall hear and determine the same and may render judgment dissolving and annulling the charter. The pleadings and practice, except as herein provided shall be the same as in equity case; and appeal shall lie from the judgment as in other civil actions.]

(4) Whenever the charter of any town is dissolved in the manner hereinabove provided, [the judgment shall direct] the clerk of the circuit court wherein *the dissolution petition was filed shall,* [such judgment is rendered, to certify a copy of said judgment] not later than ten (10) days thereafter, *notify* [to] the secretary of state whose duty it shall be to properly index and file the same as a permanent record in his office.

The Committee Amendment No. 1 to **HB 10** is as follows:

Amend printed copy of **HB 10,** page 1, line 3, delete in its entirety the text of Section 1 and renumber the remaining sections accordingly.

The Committee Amendment No. 2 to **HB 10** is as follows:

Amend printed copy of **HB 10,** page 2, line 12, delete the words "ten percent (10%)" and insert in lieu thereof the following: "twenty percent (20%)";

and on page 3, line 16, delete the words "*ten percent (10%)*" and insert in lieu thereof the following: "twenty percent (20%)".

HB 59, AN ACT relating to pensions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

For the purposes of Sections 2 through 12 of this Act, the following terms shall have the following meanings:

(1) "Beneficiary" shall mean a member, either active or retired, of a local government pension system which participates in the local government pension investment fund;

(2) "Board" shall mean the governing body of the local government pension investment fund, as provided for in Section 4 of this Act;

(3) "Fund" shall mean the local government pension investment fund, as created by this Act;

(4) "Qualified investment manager" shall mean a bank or trust company as defined and regulated in KRS Chapter 287, or an investment adviser as defined in KRS 292.310 and registered under KRS 292.330, or an investment adviser registered under the federal Investment Advisers Act of 1940, or an insurance company certified pursuant to KRS 304.3-160;

(5) "Participant" shall mean a locally administered public pension system, created pursuant to KRS 95.290, 95.520 to 95.620, 95.621 to 95.629, 95.767 to 95.785, 95.851 to 95.885, 67A.320, 67A.340, 67A.360, 90.400, 90.410, 96.180, 79.080, or 70.580 to 70.598, which chooses to invest in and thereby become a member of the local government pension investment fund.

SECTION 2. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The governing bodies of local government pension systems which can qualify as participants may create a local government pension investment fund, comprised of assets and earnings thereon which participants invest in the fund. Membership in the fund shall be a voluntary act by a participant. A participant may invest its assets in the fund in accordance with procedures adopted by the board.

SECTION 3. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The purposes of the fund shall be to enable each participant to enhance its investment power through aggregation of its resources with the resources of other participants, and to avail itself of options for centralized administrative and accounting services relating to pension system management. Participants shall be allocated units of participation in the fund representing the value of assets which they invest in the fund. Earnings of the fund shall be allocated to participants uniformly on the basis of degree of ownership of units of participation. There shall be no sharing of the pension liabilities of the various participants within the framework of the fund.

SECTION 4. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The fund shall be governed by a board created in the following manner:

(1) A temporary council, comprised of the executive director of the Kentucky Municipal League or his designee, the president of the Fraternal Order of Police or his designee, and the president of the Associated Professional Fire Fighters or his designee shall exist for the purpose of receiving appointments to the board, establishing a date for receipt of moneys into the fund, and scheduling the first meeting of the board. Organizations or entities authorized to make appointments to the board shall submit those appointments to the temporary council. The temporary council shall cease to exist when the board has met and selected a chairman.

(2) Two (2) board members shall be appointed by the Kentucky State Lodge, Fraternal Order of Police, from among policemen whose local government pension systems have pledged to invest assets in the fund on the date established by the temporary council.

(3) Two (2) board members shall be appointed by the Associated Professional Fire Fighters from among fire fighters whose local government pension systems have pledged to invest assets in the fund on the date established by the temporary council.

(4) Two (2) board members shall be appointed by the Kentucky Municipal League from among elected city officials or appointed city administrators whose city pension systems have pledged to invest assets in the fund on the date established by the temporary council.

(5) Two (2) board members shall be appointed from among employes whose city pension systems for non-uniformed employes have pledged to invest assets in the fund on the date established by the temporary council. The participants in this category shall consult among themselves to select their two (2) board members. Should there be only one (1) participant in this category, only one (1) member shall be appointed.

(6) One (1) board member shall be appointed by the board within three (3) months of the first board meeting from among persons who have demonstrated competence in a fiduciary capacity.

(7) In addition, any participant which has invested or pledged to invest at least two hundred thousand dollars ($200,000) in the fund, or fifteen (15) percent of the total assets of the fund, whichever is greater shall appoint one (1) board member from among its employes covered by the pension system, but no participant shall appoint a member under the provisions of this subsection if a member from the city of the participant has already been appointed under the provisions of subsections (2), (3), (4) or (5) of this section. Initial appointments pursuant to this subsection shall be effective upon the date when the board first meets. Appointments made pursuant to this subsection shall be reviewed on June 30 of each succeeding year, at which time new appointments shall be made and old appointments terminated as required by the criteria of this subsection.

SECTION 5. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

(1) Board members shall serve without compensation, but may be reimbursed for their reasonable and necessary expenses out of the earnings of the fund.

(2) The board shall at their first meeting select one (1) of their number to serve as chairman, and such other officers as they may deem necessary. The board may adopt bylaws to govern their internal affairs. The board may create committees from among its members to act in the name of the board.

(3) Except for board members selected pursuant to subsection (7) of Section 4 of this Act, board members shall be appointed for two (2) year terms. Initially, however, one (1) of the two (2) members appointed pursuant to each of subsections (2), (3), (4), and (5) of Section 4 of this Act shall be appointed for one (1) year. Subsequent appointments pursuant to these subsections shall be for two (2) years. Board members may be reappointed.

(4) In the event of a vacancy on the board, an appointment shall be made for the remainder of the unexpired term by the entity making the original appointment. Withdrawal of all assets by a participant shall cause any board member representing that participant to vacate his seat on the board.

(5) There shall be regularly scheduled periodic meetings of the board and the schedule shall be adopted in the bylaws. The chairman may call special meetings at times other than those adopted in the bylaws. In the absence of a call by the chairman, twenty-five percent (25%) of the membership of the board may call a special meeting. All board members shall be notified by mail of each meeting at least one (1) week prior to the meeting.

(6) No board member shall participate in any decision if he is in a position to benefit substantially from that decision. Substantial benefit shall not mean benefit derived through status as a beneficiary.

(7) Any board member convicted of a felony shall be removed from the board automatically upon his conviction.

SECTION 6. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The board shall employ one (1) or more qualified investment managers, who shall invest and reinvest the assets of the fund. The qualified investment managers may make any investments which are allowed, at the time of making the investment, to fiduciaries in this state, except that the board may at its discretion authorize the qualified investment managers to purchase common stocks in corporations that do not have a record of paying dividends to their stockholders. Qualified investment managers operating pursuant to the provisions of this Act shall not be required to seek district court approval of investments authorized by KRS 386.020(h) and (i). The board may grant the qualified investment managers authority to make timely investments. In investing and reinvesting moneys and in acquiring, managing and disposing of investments, the qualified investment managers shall discharge their duties with respect to the fund solely in the interest of the participants and their beneficiaries and:

(1) For the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the fund;

(2) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(3) By diversifying the investments of the fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(4) In accordance with the documents and instruments governing the fund as found in this Act or policies adopted by the board.

SECTION 7. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

(1) The board shall employ a single custodian for the assets held by the fund. The custodian shall be responsible for:

(a) Physical safekeeping of all securities;

(b) Collection of all income;

(c) Effecting all principal and income transactions;

(d) Maintenance of a complete set of accounting records, including reporting to the board and participants on the assets, earnings and activity of each pool of the fund on a monthly basis, and reporting individual assets, earnings and activity to each participant on a monthly basis;

(e) Making principal payments to participants no later than forty-five (45) days after receipt of a request; and

(f) Making available earnings to participants on a monthly basis, or returning earnings to the fund for reinvestment as directed by the participant.

(2) The custodian may upon request of a participant perform optional services such as but not limited to the following:

(a) Make disbursements for the participant; and

(b) Prepare reports to beneficiaries or units of government.

SECTION 8. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The board may employ other persons to perform appropriate services for the fund, and may prescribe their responsibilities and compensation out of the earnings of the fund.

SECTION 9. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The board may create various investment pools within the fund, restricted to certain types of investments, or combining various investments in order to offer different levels of return and risk. Each participant may choose those pools in which it will invest, and the degree of investment.

SECTION 10. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The board shall arrange for an annual audit of the fund and pools thereof, and a copy of the audit report shall be given to each participant.

SECTION 11. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The board shall require the qualified investment manager, custodian, or any person who has charge of, handles or has access to any of the moneys or other assets of the fund to be bonded in an amount of not less than the amount of fund assets normally in his possession or control.

SECTION 12. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

(1) Charges for investment and custodial or other services which by nature benefit all fund participants shall be allocated by general rules over all fund participants enjoying those services:

(a) Charges for investment services shall be allocated among the participants in direct proportion to their degree of ownership of the assets invested;

(b) Charges for custodial services may include both an asset charge directly proportional to the degree of ownership of the assets held, and a fixed charge associated with participation of any magnitude.

(2) Charges for services which clearly benefit individual participants, such as accounting services or preparation of reports for individual participants, shall be paid for by the individual participant.

(3) The board shall approve all charges prior to payment. In no event shall charges pursuant to subsection (1)(a) of this section exceed one (1) percent of the principal amount of the fund.

Section 13. KRS 95.600 is amended to read as follows:

The board of trustees in cities of the third class may draw the pension fund from the treasury and shall invest it, in whole or in part, in the name of the board *or nominee name as provided by KRS 287.225*, as the board deems most advantageous for the objects of the fund, in interest-bearing bonds of any county, or any city of the first, second or third class in this state, or in any securities in which trustees are permitted to invest trust funds under the laws of this state, *including a local government pension investment fund created pursuant to Section 2 of this Act*. The securities [shall be deposited with the treasurer of the board, and] shall be subject to the order of the board.

Section 14. KRS 95.622 is amended to read as follows:

(1) There shall be created in cities of the third class a policemen's and fire fighter's pension fund, and a board of trustees for that fund.

(2) In cities of the third class the board of trustees of the policemen's and fire fighter's pension fund shall be composed of the mayor, city treasurer, chief of the police department, chief of the fire department and one (1) member each from the police and fire departments shall be elected by the respective members of those departments annually by ballot, one (1) from each department, and shall serve for one (1) year and until their successors are elected and qualified. The board shall select from their number a president and a secretary. The board of trustees shall be the trustees of the pension fund and of all moneys donated or paid for the relief or pensioning of members of the police and fire departments. It may do all things necessary to protect the fund.

(3) The board of trustees may draw the pension fund from the treasury and invest it, in whole or in part, in the name of the board or nominee name as provided by KRS 287.225, as the board deems most advantageous for the objects of the fund, in a local government pension investment fund created pursuant to Section 2 of this Act or in any other securities in which trustees are permitted to invest trust funds under the laws of this state. The securities shall be subject to the order of the board.

Section 15. KRS 95.772 is amended to read as follows:

The said board of trustees of the policemen's and fire fighter's pension fund shall have the power to draw such pension fund from the treasury and may invest the same, or any part thereof, in the name of the board of trustees of the policemen's and fire fighter's pension fund *or nominee name as provided by KRS 287.225*, in interest-bearing bonds of the United States or the state of Kentucky, or any county or city of the first, second, third or fourth class in the state of Kentucky, or in any securities in which trustees or guardians are permitted to invest trust or guardianship funds under the laws of this state *including a local government pension investment fund created pursuant to Section 2 of this Act*, and all such securities [shall be deposited with the treasurer of said city as ex officio treasurer of said board and] shall be subject to the order of said board. Both the principal and interest of said pension fund shall be applicable to the payment of pensions under KRS 95.761 to 95.785.

Section 16. KRS 95.852 is amended to read as follows:

There is hereby established in cities of the second class, a retirement and benefit fund for members of the police and fire departments, their dependents and beneficiaries. The fund shall be established as of July 1, 1956, and shall be known as the "Policemen's and Fire fighter's Retirement Fund of the City of ....." In such name all of its business shall be transacted, *and in such name or nominee name as provided by KRS 287.225* all of its moneys invested and all of its accumulated reserves consisting of cash, securities, and other property shall be held.

Section 17. KRS 95.873 is amended to read as follows:

The board may invest the moneys accruing to the fund, in interest-bearing bonds of any county, urban-county government or city of the first, second, or third class in this state, or in any securities in which trustees are permitted to invest trust funds under the laws of this state *including participation in a local government pension investment fund created pursuant to Section 2 of this Act*. Such bonds shall be registered in the name of the board to the extent possible. The securities acquired by the board [shall be deposited with the treasurer and] shall be subject to the order of the board. The board may, at its own cost, employ or engage consultants to provide investment advice to aid the board in its determinations.

Section 18. KRS 67A.570 is amended to read as follows:

The board may invest the moneys accruing to the fund, in interest-bearing bonds of any county, urban-county government or city of the first, second or third class in this Commonwealth, or in any securities in which trustees are permitted to invest trust funds under the laws of this Commonwealth *including participation in a local government pension investment fund created pursuant to Section 2 of this Act.* Such bonds shall be registered in the name of the board to the extent possible. The securities acquired by the board [shall be deposited with the director of finance and] shall be subject to the order of the board. The board may at the cost of the government employ or engage consultants to provide investment advice to aid the board in its determinations.

The Committee on Judiciary reported **HB 130,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 130, AN ACT relating to the small claims division of the district courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 24A.230 is amended to read as follows:

(1) The small claims division shall have jurisdiction, concurrent with that of the district court, in all civil actions, other than libel, slander, alienation of affections, malicious prosecution and abuse of process actions, when the amount of money or damages or the value of the personal property claimed does not exceed *one thousand dollars ($1,000)* [five hundred dollars ($500)] exclusive of interest and costs.

(2) The division may also be used in civil matters when the plaintiff seeks to disaffirm, avoid, or rescind a contract or agreement for the purchase of goods or services not in excess of *one thousand dollars ($1,000)* [five hundred dollars ($500)] exclusive of interest and costs.

(3) The division shall have authority to grant appropriate relief, except no prejudgment actions for attachment, garnishment, replevin or other provisional remedy may be filed in the division.

Section 2. KRS 24A.270 is amended to read as follows:

The filing fee in the small claims division of the district court shall be the same as the filing fee for claims [of five hundred dollars ($500) or less] filed in the district court, except where personal service is not required pursuant to KRS 24A.280(2), the sheriff's fee and mileage cost shall not be charged.

Section 3. KRS 24A.290 is amended to read as follows:

The defendant may file with the clerk a counterclaim against the plaintiff in an amount not in excess of *one thousand dollars ($1,000)* [five hundred dollars ($500)] exclusive of interest and costs, if the counterclaim arose out of the same transaction or occurrence that is the subject matter of the plaintiff's claim, and if the counterclaim does not require for its adjudication the presence of third parties over whom the division cannot acquire jurisdiction. Any counterclaim shall be filed with the clerk, and a copy delivered to the plaintiff at least two (2) days prior to the time of the hearing. If the defendant's counterclaim is in excess of the jurisdictional limits of the division, then the provisions of KRS 24A.310(1) shall apply.

The Committee Amendment No. 1 to **HB 130** is as follows:

Amend printed copy of **HB 130,** on page 2, by deleting the "[ ]".

Report on Enrolled Bills

The Committee on Enrollment reported **HB 117** had been examined and found correctly enrolled. **HB 117** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 117 delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day

HB 177, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved the adoption of the Floor Amendment No. 1 to **HB 177.** Agreed.

Representative Weinberg moved that **HB 177,** as amended be passed.

Representative Allen moved that **HB 177** be laid on the table.

On the roll call the vote was yeas 26-Allen, Blandford, Boswell, Bronger, Bruce, Burnette, Clapp, Dawahare, DeMarcus, Dunn, Ellington, Fryman, Guenthner, Holbrook, Holloway, Layman, McBee, Pearman, Plummer, Riner, Sale, Schmidt, Thomason, Turner, Van Horn, Wright. Nays 58-Adams, Arnold, Barrows, Bendl, Blair, Blythe, Brinkley, Brown, Burch, Caldwell, Cawood, Clarke, Crupper, Curd, Cyrus, Davenport, DeFalaise, Deskins, Farrow, Freibert, Gray, Haering, Hancock, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Kidd, Lewis, List, Lundergan, Mann, May, McNutt, Moberly, Morris, Noe, Patrick, Petty, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Robinson, Smith, Stone, Stumbo, Thomas, Tobin, Weinberg, White, Wilborn, Williams, Yates.

The motion that **HB 177** be laid on the table was rejected.

On the roll call the vote was yeas 56-Barrows, Bendl, Bennett, Blair, Blythe, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Crupper, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Farrow, Gray, Haering, Hancock, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Lundergan, Mann, May, McKinney, Moberly, Morris, Noe, O'Brien, Patrick, Petty, Plummer, Rapier, Reynolds, B. Richardson, P. Richardson, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Weinberg, White, Wilborn, Williams. Nays 41-Adams, Allen, Arnold, Blandford, Boswell, Bruce, Burnette, Clapp, Clark, Clarke, Craddock, Curd, Dawahare, DeMarcus, Dunn, Ellington, Foster, Freibert, Fryman, Guenthner, Head, Holbrook, Holloway, Layman, Lewis, Little, McBee, McNutt, Overstreet, Pearman, Priddy, Richards, Riner, Schmidt, Thomason, Tobin, Turner, Van Horn, Worthington, Wright, Yates.

HB 177, as amended, was passed and the title agreed to.

Representative Weinberg moved that the vote by which **HB 177,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HJR 8, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of the Committee Substitute to **HJR 8.** Agreed.

Representative Noe moved that **HJR 8,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 92-Allen, Arnold, Barrows, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 2-Adams, Clarke.

HJR 8, by way of Committee Substitute, was passed and the title agreed to.

Representative Noe moved that the vote by which **HJR 8,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 9 taken from the Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of **HCR 9.**

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HCR 9 was adopted and the title agreed to.

Representative B. Richardson moved that the vote by which **HCR 9** was adopted be reconsidered and said motion be postponed indefinitely. Agreed.

HB 214 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved that **HB 214** be passed.

Representative Guenthner moved that **HB 214** be laid on the table.

On the roll call the vote was yeas 48-Allen, Arnold, Barrows, Blair, Blythe, Bronger, Burnette, Caldwell, Cawood, Clapp, Clarke, Craddock, Crupper, Curd, Davenport, DeFalaise, DeMarcus, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Guenthner, Holbrook, Holloway, Layman, LeMaster, Lewis, McBee,McKinney, O'Brien, Plummer, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Schmidt, Stumbo, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Wright. Nays 34-Adams, Bendl, Bennett, Blandford, Boswell, Burch, Clark, Cyrus, Donnermeyer, Gray, Haering, Hancock, Heleringer, Isler, Jones, Kenton, List, Little, Lundergan, Mann, Moberly, Morris, Nett, Noe, Overstreet, Patrick, Pearman, Petty, Robinson, Smith, Stone, Thomas, Weinberg, Yates.

The motion that **HB 214** be laid on the table was adopted.

HB 8 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **HB 8** be passed.

On the roll call the vote was yeas 88-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Cyrus, Davenport, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 5-Boswell, DeFalaise, Layman, LeMaster, Noe.

HB 8 was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 8** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Motions, Petitions, and Communications

Speaker Pro Tempore presiding.

Senate Message

Announcing passage of **HB 42** with Senate Amendment and **HB 134** with Senate Amendment.

Motions, Petitions, and Communications (continued)

Representative Smith moved the adoption of the following Legislative Citation No. 23:

The House of Representatives of the Commonwealth of Kentucky hereby salutes Mr. Chuck Crume, assistant professor in the Physical Education and Recreation Department at Western Kentucky University, Bowling Green, Kentucky for your contribution to education. Your humanitarian and benevolent spirit is admirably reflected in your public service demonstrated through your involvement in charitable endeavors, public speaking, writing and art, and creative scholarship funds. As a pioneer in conservation related to hunter-safety-firearms education at the higher educational level will improve life for all citizens of the Commonwealth of Kentucky (Sponsored by Representative Smith)

Agreed.

Representative Priddy moved that **HB 55** be withdrawn.

On the roll call the vote was yeas 61-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Boswell, Brown, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Head, Hines, Isler, Jones, Kidd, Layman, Lewis, List, Little, Lundergan, May, McKinney, McNutt, Moberly, Nett, Noe, O'Brien, Pearman, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White. Nays 0.

The motion that **HB 55** be withdrawn was adopted.

Representative Boswell moved that **HB 181** be withdrawn.

On the roll call the vote was yeas 45-Allen, Arnold, Barrows, Bennett, Blair, Blandford, Boswell, Bronger, Burch, Caldwell, Cawood, Crupper, Curd, Cyrus, Davenport, Deskins, Dunn, Foster, Freibert, Fryman, Guenthner, Head, Hines, Isler, List, Little, May, Moberly, Morris, Nett, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, B. Richardson, P. Richardson, Riner, Stone, Thomason, Van Horn, Weinberg, White, Yates. Nays 5-Blythe, DeFalaise, Donnermeyer, Noe, Smith.

The motion that **HB 181** be withdrawn was adopted.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Allen, **HB 349;** Representative Foster, **HB 382;** Representative Fryman, **HB 349;** Representative Haering, **HB 20;** Representative Hancock, **HB 429;** Representative Kidd, **HB 53;** Representative O'Brien, **HB 240;** Representative Priddy, **HB 97;** Representative Romines, **HB 240;** Representative Smith, **HR 42.**

Representative Richards filed a request to have his name withdrawn as a co-sponsor of **HB 288.**

Representative Noe moved that the rules be suspended for the purpose of making a motion in regard to withdrawing as a co-sponsor of a bill. Agreed.

Representative Noe moved that his name be withdrawn as a co-sponsor of **HR 30.** Agreed.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 453, by Representatives Schmidt, Donnermeyer, and Mann: AN ACT designating the Golden Knights Junior Drum and Bugle Corps as the official Junior Drum and Bugle Corps of the Commonwealth of Kentucky.

HB 454, by Representative DeFalaise: AN ACT relating to change of name.

HB 455, by Representatives Mann, DeMarcus, Overstreet, Allen, Plummer, Sale, Isler, Blair, Petty, Noe and Gray: AN ACT relating to county health boards.

HB 456, by Representative Clarke: AN ACT relating to capital construction.

HB 457, by Representatives Williams and Hines: AN ACT relating to public contracts.

HB 458, by Representatives B. Richardson, Richards, May, Jones, Clapp, Thomas, Brinkley, Weinberg, Stone, Adams, List, Foster, Sale, Curd, Worthington, Smith, Ellington, and Thomason: AN ACT relating to public procurement.

HB 459, by Representatives Gray, Pearman, Boswell, Priddy, Stone, and Romines: AN ACT relating to motor vehicle operator's licenses.

HB 460, by Representatives Allen, DeFalaise, DeMarcus, Fryman, Burnette, Holbrook, Layman, and Schmidt: AN ACT relating to administrative regulations.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Appropriations and Revenue: **HB 410, HB 283.**

Health and Welfare: **HB 315, HB 33, HB 45.**

Announcements

The Speaker announced a meeting of the Committee on Rules on adjournment and a meeting of the Committee Chairmen immediately following.

The following meetings were announced:

Subcommittee on Surface Mining, Tuesday and Wednesday, 10:00 a.m., Room 307.

Democratic caucus, State Reception Room, tomorrow, 1:00 p.m.

Appropriations and Revenue, Subcommittee on Education, tomorrow, 10:00 a.m., Room A.

Appropriations and Revenue, Subcommittee on Education, one-half hour after adjournment today.

Recess

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Wednesday, February 6, 1980.

On the roll call the vote was yeas 69-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Hines, Holbrook, Holloway, Jones, Kidd, Layman, LeMaster, List, Little, Mann, May, McBee, Moberly, Morris, Nett, O'Brien, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Sale, Schmidt, Smith, Stone, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Yates. Nays 5-Deskins, Guenthner, Overstreet, Pearman, Wright.

The motion to adjourn was adopted.

WEDNESDAY, FEBRUARY 6, 1980

NINETEENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Representative Louis Johnson.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of February 5, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 461, by Representative Van Horn: AN ACT relating to the Kentucky state racing commission.

HB 462, by Representative B. Richardson: AN ACT relating to economic development in local governments.

HB 463, by Representative B. Richardson: AN ACT relating to industrial buildings for cities and counties.

HB 464, by Representative B. Richardson: AN ACT relating to the Kentucky development finance authority.

HB 465, by Representative Heleringer: AN ACT relating to the intangible property tax.

HB 466, by Representative Burch: AN ACT relating to the thoroughbred development fund.

HB 467, by Representative List: AN ACT relating to members of police and fire departments.

HB 468, by Representative Noe: AN ACT relating to board of energy research.

HB 469, by Representative Curd: AN ACT relating to school employes.

HB 470, by Representative Curd: AN ACT relating to school employes.

HB 471, by Representative Maynard: AN ACT relating to price advertising.

HB 472, by Representative LeMaster: AN ACT relating to tobacco seeds.

HB 473, by Representatives Pearman and Allen: AN ACT relating to farming.

HR 48, by Representative B. Richardson: A RESOLUTION amending Rule 52 of the Rules of the House of Representatives.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **SB 7.**

Banking and Insurance: **HB 441, HB 442, HB 451, SB 40, SB 109.**

Counties and Special Districts: **HB 439, SB 45.**

Education: **HB 436, HB 450.**

Elections and Constitutional Amendments: **HB 438.**

Health and Welfare: **HB 455.**

Judiciary: **HB 446, HB 448, HB 449, HB 452, HB 454.**

Natural Resources and Environment: **HB 445.**

State Government: **HB 437, HB 443, HB 453, HB 456, HB 457, HB 458, HB 460.**

Transportation: **HB 440, HB 444, HB 447, HB 459.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Education: **HJR 43.**

Transportation: **HB 388, HB 417.**

Report of Committees

The Committee on Rules reported **HB 38, HB 88, HB 146, HB 161, HB 211,** and **HB 259** have been posted for passage in Orders of the Day, February 7, 1980.

The Committee on Rules reported **HB 131** has been recommitted to the Committee on Judiciary.

The Committee on Banking and Insurance reported **HB 41** and **HB 278** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 41, AN ACT relating to homeowners' insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Every homeowners' insurance policy shall provide that in the event of a total loss of the insured personal property, the insurer shall pay the insured the maximum limit of liability for loss of personal property as stated in the declarations section of the policy. No insured shall be required to furnish the insurer with an inventory of the destroyed, damaged, or undamaged personal property, showing in detail quantities, costs, and actual cash value and no insured shall be required to provide such information in the proof of loss filed with the insurer.

HB 278, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.13-270 is amended to read as follows:

(1) The board may promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with it, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid it in determining whether rating systems comply with the applicable standards set forth in

KRS 304.13-030. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience.

(2) In promulgating such rules and plans, the board shall give due consideration to the rating systems on file with it, and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it.

(3) The board may designate one or more rating organizations or other agencies to assist it in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the board, to insurers and rating organizations.

(4) Each insurer shall report its loss or expense experience to the lawful rating organization or agency of which it is a member or subscriber, but shall not be required to report its loss or expense experience to any rating organization or agency of which it is not a member or subscriber. Any insurer not reporting such experience to a rating organization or other agency may be required to report such experience to the board. Any report of such experience of any insurer filed with the board shall be deemed confidential and shall not be revealed by the board to any other insurer or other person, but the board may make compilations including such experience.

(5) Each workmen's compensation rating organization shall file a statistical plan with the board requiring use of the individual past experience of policyholders for purposes of rate calculation.

The Committee on Education reported **HB 32** and **HB 118,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 32, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.175 is amended to read as follows:

(1) As a continuation of the policy of teaching our country's history and as an affirmation of the freedom of religion in this country, the board of education of a local school district may authorize the recitation of the traditional Lord's prayer and the pledge of allegiance to the flag in public elementary schools. Pupil participation in the recitation of the prayer and pledge of allegiance shall be voluntary. Pupils shall be reminded that this Lord's prayer is the prayer our pilgrim fathers recited when they came to this country in their search for freedom. Pupils shall be informed that these exercises are not meant to influence an individual's personal religious beliefs in any manner. The exercises shall be conducted so that pupils shall learn of our great freedoms, including the freedom of religion symbolized by the recitation of the Lord's prayer.

(2) By August 1, 1980, the board of education of each public local school district shall establish a policy and develop procedures whereby the pupils in each elementary and secondary school shall participate in the pledge of allegience to the flag of the United States at the commencement of each school day.

HB 118, AN ACT relating to higher education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.130 is amended to read as follows:

(1) The government of the University of Kentucky is vested in a board of trustees consisting of sixteen (16) competent citizens of Kentucky appointed by the governor, two (2) members of the teaching faculty of the University of Kentucky, *one (1) member of the teaching faculty of the community college system,* and one (1) member of the student body of the University of Kentucky. The voting members of the board shall select a chairman annually. The terms of the appointed members shall be for four (4) years and until their successors are appointed and qualified. Four (4) of the sixteen (16) appointed members shall be appointed each year. Three (3) of the appointed members shall be representative of agricultural interests, three shall be alumni of the university, and ten (10) shall be other distinguished citizens of the state representative of the learned professions. The governor shall so make the appointments as to divide the representation on the board as equally as possible between the two (2) leading political parties of this state.

Appointments to fill vacancies shall be made for the unexpired term in the same manner as provided for the original appointments.

(2) The *two (2) University of Kentucky* faculty members shall be teaching or research members [of the faculty of the University of Kentucky] of the rank of assistant professor, or above. They shall be elected by secret ballot by all faculty members of the university of the rank of assistant professor and above. Faculty members shall serve for terms of three (3) years and until their successors are elected and qualify. Faculty members shall be eligible for re-election, but they shall be ineligible to continue to serve as members of the board of trustees if they cease to be members of the teaching staff of the university. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original elections.

(3) *The faculty member representing the community college system shall be a teaching or research member at one of the community colleges. Each community college faculty shall elect one (1) member by secret ballot and submit the name of the elected faculty member to the governor. By September 1, 1980, the governor shall select from the nominees one (1) community college faculty member to serve as a member representative of all community colleges for a three (3) year term and until a successor is appointed and qualified. The faculty member shall be eligible for reappointment, but he shall be ineligible to continue to serve as a member of the board of trustees if he ceases to be a member of the faculty at one of the community colleges. Appointment to fill a vacancy shall be made for the unexpired term in the same manner as provided for original appointment.*

(4)[(3)] The student member shall be the president of the student body of the university. If the president of the student body is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member.

(5)[(4)] No member of the administrative staff of the university shall be directly or indirectly interested in any contract with the university for the sale of property, materials, supplies, equipment or services, with exception of compensation to the two faculty members.

The Committee Substitute to **HB 118** is as follows:

HB 118, AN ACT relating to higher education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.130 is amended to read as follows:

(1) The government of the University of Kentucky is vested in a board of trustees consisting of sixteen (16) competent citizens of Kentucky appointed by the governor, two (2) members of the teaching faculty of the University of Kentucky, *one (1) member of the teaching faculty of the community college system,* and one (1) member of the student body of the University of Kentucky. The voting members of the board shall select a chairman annually. The terms of the appointed members shall be for four (4) years and until their successors are appointed and qualified. Four (4) of the sixteen (16) appointed members shall be appointed each year. Three (3) of the appointed members shall be representative of agricultural interests, three shall be alumni of the university, and ten (10) shall be other distinguished citizens of the state representative of the learned professions. The governor shall so make the appointments as to divide the representation on the board as equally as possible between the two (2) leading political parties of this state. Appointments to fill vacancies shall be made for the unexpired term in the same manner as provided for the original appointments.

(2) The *two (2) University of Kentucky* faculty members shall be teaching or research members [of the faculty of the University of Kentucky] of the rank of assistant professor, or above. They shall be elected by secret ballot by all *University of Kentucky* faculty members [of the university] of the rank of assistant professor and above. Faculty members shall serve for terms of three (3) years and until their successors are elected and qualify. Faculty members shall be eligible for re-election, but they shall be ineligible to continue to serve as members of the board of trustees if they cease to be members of the teaching staff of the university. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original elections.

(3) *The faculty member representing the community college system shall be a teaching or research member at one of the community colleges. The community college faculty member shall be elected by secret ballot by members of the community college faculties. The community college faculty member shall serve for a three (3) year term and until a successor is elected and qualified. No community college shall have a faculty representative on the board of trustees for more than one term in succession. The community college faculty member shall be ineligible to continue to serve as a member of the board of trustees if he ceases*

to be a member of the faculty at one of the community colleges. Election to fill a vacancy shall be made for the unexpired term in the same manner as provided for original election.

(4)[(3)] The student member shall be the president of the student body of the university. If the president of the student body is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member.

(5)[(4)] No member of the administrative staff of the university shall be directly or indirectly interested in any contract with the university for the sale of property, materials, supplies, equipment or services, with exception of compensation to the *three* [two] faculty members.

(6) The number of student and employe trustees of the University of Kentucky elected to the board shall not exceed four (4).

The Committee on Education reported **HB 137** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee amendment No. 1 to **HB 137** is as follows:

Amend printed copy of **HB 137,** amend Title by deleting "and making an appropriation therefor".

The Committee Amendment No. 2 to **HB 137** is as follows:

Amend printed copy of **HB 137,** lines 11-15, amend by deleting Section 6.

The Committee on Elections and Constitutional Amendments reported **HB 24,** with Committee Amendment attached thereto, **HB 26, HB 27,** and **HB 140** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 24, AN ACT relating to voter registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 116.045 is amended to read as follows:

(1) Any person may register as a voter during the period registration is open if he possesses, or will possess on the day of the next regular election, the qualifications set forth in KRS 116.025.

(2) Except during implementation of the initial statewide registration as provided in subsection (4) of KRS 116.025, the county board of elections shall cause all registration to be closed the thirty (30) days prior to, and the five (5) days following, any primary or general election, and the ten (10) days prior to any special election. No voter shall be registered or be permitted to change his registration during the period that the registration is closed; except that, registration shall be closed only in those precincts in which the election is held.

(3) In all counties the county clerk, when authorized by the county board, shall receive registration, transfers, or change of party affiliation at branch offices at any place in the county during those periods that the registration books are open. However, notice in the manner provided by KRS chapter 424 must be given at least three (3), but not more than fourteen (14), days in advance of the time and place of any branch registration, and ten (10) days' written notice must be given to the county executive committee of each major political party in the county in which the branch registration is to be held.

(4) Any person may register to vote or may change his party affiliation in and of the following ways:

(a) In person;

(b) By mail; or

(c) By such other methods of registration, or reregistration, as approved by the state board of elections, including the use of voluntary interested groups and political parties, under the proper supervision and directions of the county board of elections, which may include door to door canvassing.

(5) Upon receipt of the form prescribed by the state board of elections, properly filled out and signed by the applicant, the county clerk shall register the applicant.

(6) Any individual or group shall have access to a reasonable number of voter registration forms in the county clerk's office. Such individual or group shall return these completed forms to the county clerk for official registration by the county clerk.

(7) The county clerk shall provide voter registration forms to each principal or assistant principal of every public and private high school and to the director of each area vocational school for the purpose

of registering those qualified voter applicants who are enrolled students within the school or employed by the school. The completed forms shall be returned to the county clerk for official registration by the county clerk.

The Committee Amendment No. 1 to **HB 24** is as follows:

Amend printed copy of **HB 24,** on page 3, after "*public*" delete the remainder of line 4 through line 9 and insert in lieu thereof:

"*high school, each area vocational school, and upon request, private schools, who shall designate a person in each school who shall be responsible for informing students and school personnel of the availability of the registration forms and assist them in registering with the party of their choice.*
The completed forms shall be returned to the county clerk, for official registration by the county clerk."

HB 26, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.275 is amended to read as follows:

(1) At the count of the votes in any such precinct, any candidate and any representatives to witness and check the count of the votes therein, who are hereby authorized to be appointed as is provided in subsection (6) of this section, shall be admitted and be permitted to be present and witness the count.

(2) As soon as the polls are closed, and the last voter has voted, the judges shall immediately lock and seal the operating lever or mechanism of the machine so that the voting and counting mechanism will be prevented from operation, and they shall then sign a certificate stating:

(a) That the machine has been locked against voting and sealed;

(b) The number of voters, as shown on the public counters;

(c) The number registered on the protective or accumulative counter or device, if any; and

(d) The number or other designation of the voting machine, which certificate shall be returned by the judges of election to the officials authorized by law to receive the same. The judges shall then compare the number of voters, as shown by the counter of the machine, with the number of those who have voted as shown by the protective or accumulative counter or device.

(3) The judges, in the presence of the representatives mentioned in subsection (1), if any, and of all other persons who may be lawfully within the polling place, shall then make visible the registering counters, and, for that purpose, shall unlock and open the doors, or other covering concealing the same, giving full view of all the counter numbers. The judges shall, under the scrutiny of such representatives, and in the order of the offices as their titles are arranged on the machine, read and announce, in distinct tones, the results as shown by the counter numbers for each candidate and for and against each question voted on. The counters shall not be read consecutively along the party rows or columns, but shall always be read along the office columns or rows, completing the canvass for each office or question before proceeding to the next. The vote as registered shall be entered by the judges, in ink, on quadruplicate return sheets, and also on a general return sheet and statement, all of which, after the canvass is completed, shall be signed by the judges. The total votes cast for each candidate, and for and against each question, and the votes written in, shall then be entered on the general and quadruplicate return sheets and statement. There shall also be entered on the general return sheet and statement the number of voters who have voted, as shown by the lists of voters, and the number who have voted on each machine, as shown by the public counters, and also the number registered on the protective or accumulative counter or device on each machine immediately after the closing thereof and sealing of the machine. The number or other designation of each machine used shall also be entered thereon. In the case of primary elections, quadruplicate return sheets shall remain exposed to view until the said returns and all other reports have been fully completed.

(4) The proclamation of the result of the votes cast shall be announced distinctly and audibly by one of the judges of election, who shall read the name of the vote cast for each candidate and the vote for and against each question submitted. During such proclamation ample opportunity shall be given to any person lawfully present to compare the results so announced with the counter dials of the machine, and any necessary corrections shall then and there be made by the judges, after which the doors or other cover of the voting machine shall be closed and locked and the return sheet shall be signed by each of the judges of election. If any judge shall decline to sign such return, he shall state his reason therefor in writing, and a copy thereof, signed by him, shall be enclosed with such return. Each of the return sheets shall be enclosed

in an envelope, which shall be securely sealed, and each of the judges shall write his name across the fold of the envelope. One (1) of the quadruplicate return sheets, along with the general return sheet and precinct list, shall be directed to the county board of elections of the county in which the election is being held, one (1) to the county clerk of the county in which the election is being held and one (1) to the local governing body of each of the two (2) dominant political parties. Said envelope shall have endorsed thereon a certificate of the election officers, stating the number of the machine, the precinct where it has been used, the number on the seal, and the number on the protective or accumulative counter or device at the close of the polls. Following the tabulation of all votes cast in the election, including absentee votes, the county board shall immediately mail the tabulation result, the general return sheets and the precinct lists from each precinct to the state board of elections.

(5) As soon as possible after the completion of the count, the election officers shall return to the county board of elections the keys to the voting machine received and receipted for by them, and the county clerk in which the precinct is located shall have the voting machine properly boxed or securely covered and removed to a proper and secure place of storage.

(6) In primary elections, each candidate or group of candidates may designate to the county board of elections a representative to witness and check the vote count. In regular elections, the governing authority of each political party, each candidate for member of board of education, independent candidate or independent ticket may designate a representative to the county board of elections to witness and check the vote count. The county board of elections shall authorize representatives of the news media to observe the taking of the tally of votes from the voting machine in each precinct in each primary, regular or special election.

(7) If supplemental paper ballots have been approved, as provided in KRS 118.215, after the polls are closed, the precinct election officials shall stamp "Unused" on all supplemental paper ballots not used. The election officers shall string all used ballots' stubs upon a string provided for that purpose, and the stubs shall be placed in an envelope. The *sheriff and the judge from the opposite political party from the sheriff* [two (2) precinct judges] shall return to the county clerk's office the locked ballot box, all ballot stubs, spoiled ballots and unused ballots at the same time as the tabulation of votes from the voting machine is delivered. The county clerk shall issue a receipt for the number of ballot stubs, unused ballots, spoiled ballots and the ballot box. The county board of elections, or its designee, shall count and tally the paper ballots manually or with the use of tabulating equipment which does not involve an additional voting system. The results of the vote tally shall be certified by the county board of elections to the county clerk and to the secretary of state. The county board of elections shall authorize the candidates or their representatives and representatives of the news media to be present during the counting of the paper ballots. The county clerk shall retain the paper ballots for sixty (60) days, after which time they shall be burned by the county board of elections if no contest or recount action has been filed.

HB 27, AN ACT relating to election precincts.

WHEREAS, on April 1, 1980, the United States Bureau of the Census will conduct the decennial census of the nation's population; and

WHEREAS, by April 1, 1981, the Bureau of the Census must, by federal law, supply state legislatures with complete census data for use in legislative reapportionment and congressional redistricting; and

WHEREAS, the Bureau of the Census utilizes geographical census units not generally identical to Kentucky election precinct boundaries, thereby necessitating a complex translation of census data to the election precincts so as to accomplish Kentucky reapportionment and redistricting subsequent to the 1980 census; and

WHEREAS, alterations of election precinct boundaries during that period of census data analysis would impede efforts to arrive at precinct population estimates prior to the legislative session at which reapportionment is considered and would also unnecessarily delay responses to legislative requests for district population data;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) The provisions of KRS 117.055 notwithstanding, the county boards of elections shall maintain the current boundaries of election precincts.

(2) If any county board of elections fails to perform the duty placed upon it by subsection (1) of this section, then the state board of elections shall apply to the circuit court of the county for a summary mandatory order requiring the county board to perform this duty.

(3) The provisions of this Act shall stand repealed upon the termination of the 1982 Regular Session of the General Assembly or upon the termination of any Extraordinary Session of the General Assembly which enacts reapportionment and redistricting legislation, whichever shall occur at the earlier date.

HB 140, AN ACT relating to absentee ballots.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.085 is amended to read as follows:

(1) Any qualified voter in any county who will be absent from the county on any election day or any person incarcerated in jail that has been charged for a crime but has yet to be convicted of the said crime may, at any time not less than seven (7) days before the election, make application in person or by mail to the county clerk for a special ballot, except that such application shall be restricted to the use of the voter, [or] the voter's spouse *or the voter's children.* The clerk shall type the name of the absent voter on the application form for that person's use and no other. The application form shall be in the form prescribed by the state board of elections, shall bear the seal of the county clerk and shall contain the following information: name, residential address, precinct, party affiliation, statement of absence on election day, statement of compliance with residency requirements for voting in said precinct, and the voter's mailing address for a special ballot. The form shall be verified and signed by the voter. A notice of the penalty provided in KRS 117.995(4) shall be printed on the application.

(2) If the county clerk finds that the voter is properly registered as stated in his application, he shall immediately mail to the voter a special ballot, two (2) official envelopes for returning the ballot, and instructions for voting. The outer envelope shall bear the words "Absent Voter's Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address and precinct number. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number and notice of penalty provided in KRS 117.995(4). The clerk shall type the voter's address and precinct number in the upper left hand corner of the absent voter's outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application until thirty (30) days after the election.

(3) A list of persons to whom absent ballots are mailed shall be posted in the clerk's office, for public inspection, and a list shall be included in the supplies sent to each precinct on election day and shall be posted at the polling place throughout the voting hours on election day.

(4) Any person who has been mailed an absent voter's ballot but who shall be in his voting precinct on election day may cancel his absent ballot and vote in person if he appears at the county clerk's office at least seven days prior to election day and returns his absent ballot. Upon such personal appearance of the voter, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Cancelled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The clerk shall remove the voter's name from the list of persons who were sent absent ballots, and the voter may vote in the precinct in which he is properly registered.

Section 2. KRS 117.335 is amended to read as follows:

(1) The challenge of an absent voter's ballot must be in writing and in the hands of the county clerk before 3:00 p.m. on election day.

(2) The county board of elections shall count the absentee ballots. The board may appoint a central absentee ballot counting board of not less than three (3) members, who shall be qualified voters and no more than two-thirds (⅔) of which shall be members of the same political party, to count the ballots at the direction of the county board of elections.

(3) Beginning at 3:00 p.m. on election day the board may meet at the clerk's office to count the absentee ballots. Candidates or their representatives shall be permitted to be present. The county board of elections shall authorize representatives of the news media to observe the counting of absent voters' ballots. The board shall open the boxes containing absent voters' ballots and remove the envelopes one (1) at a time. As each envelope is removed, it shall be examined to ascertain whether the outer envelope and the detachable flap are in proper order and have been signed by the absent voter. All unsigned absentee ballots shall be rejected automatically. The clerk shall compare the signatures on the outer envelope and the detachable flap with the signature of the voter that appears on the registration card. If the outer envelope and the detachable flap are found to be in order the clerk shall read aloud the name of the absent voter. If the vote of such voter is not rejected on a challenge then made as provided in subsection (4), the clerk shall then [open the outer envelope and remove the inner envelope,] remove the detachable flap and place the inner envelope unopened in a ballot box which has been provided for the purpose.

(4) When the name of an absent voter is read aloud by the clerk, the vote of such voter may be challenged and the challenge thereto may be determined and the absentee vote accepted or rejected by the

board as if the voter was present and voting in person, but if the outer envelope and the detachable flap are regular, and substantially comply with the provisions of this chapter, they shall be considered as showing that the absent voter is prima facie entitled to vote. If the vote of an absent voter is rejected pursuant to the challenge, the outer envelope shall not be opened, and the clerk shall write on the envelope the word "rejected".

(5) After the challenges have been made and all the blank inner envelopes have been placed in a ballot box, the box shall be thoroughly shaken so as to redistribute the ballots in the box. The board shall then open the ballot box, remove the absentee ballots from the inner envelopes and count the absentee ballots on a form provided by the state board.

(6) The county clerk shall retain the ballots, detachable flaps and the outer envelopes for thirty (30) days, at which time they shall be burned by the county board of elections. If a contest or recount proceeding is instituted during said thirty-day period, the ballots shall not be burned but shall be disposed of as directed by the court in which such proceeding was instituted.

(7) The county board of elections shall make public the absentee ballot results after 6:00 p.m.

The Committee on Counties and Special Districts reported **HB 204**, **HB 207**, **HB 258**, **HB 303** with Committee Amendment attached thereto, **HB 329** with Committee Amendment attached thereto, and **HB 341** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 204, AN ACT relating to subdivision plats.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.283 is amended to read as follows:

After the approval of a subdivision plat by the planning commission, it shall be recorded at the expense of the subdivider in the office of the county clerk. *The plat shall be in the form of a rectangle and the clerk shall not be required to record a plat exceeding eighteen (18) inches on one side and twenty-four (24) inches on the other.*

HB 207, AN ACT relating to county clerks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 272.410 is amended to read as follows:

The articles of incorporation shall be signed, acknowledged, filed and recorded in accordance with the provisions of the general corporation law of this state, and, in addition, a quadruplicate of the articles, indorsed by the secretary of state with the fact and time of recording of the articles in his office, shall be filed with the department of agriculture within ten (10) days after the articles have been recorded in the office of the secretary of state. After the articles have been duly filed and recorded, and a certificate of incorporation has been issued, the corporation may proceed to do business. For recording the articles and issuing a certificate of incorporation the secretary of state shall be entitled to a fee of two dollars and fifty cents ($2.50). [, and] For recording the articles the county clerk shall be entitled to a fee *specified in KRS 64.012* [of two dollars and fifty cents ($2.50)], which fees shall be in lieu of all other fees charged by either of such officers

Section 2. KRS 273.368 is amended to read as follows:

(1) In respect of the following documents, the fees to be collected by the secretary of state for filing and issuing, when required by this chapter, [and by the county clerk for recording, when required by this chapter,] shall be:

(a)[(1)] Articles of incorporation and a certificate of incorporation, [by the secretary of state], four dollars ($4)[, and by the clerk, three dollars ($3.00)];

(b)[(2)] Articles of amendment and a certificate of amendment, [by the secretary of state,] four dollars ($4)[, and by the clerk, three dollars ($3.00)];

(c)[(3)] Restated articles of incorporation and restated certificate of incorporation, [by the secretary of state,] four dollars ($4)[, and by the clerk, three dollars ($3.00)];

(d)[(4)] Articles of merger or consolidation and a certificate of merger or consolidation, [by the secretary of state,] four dollars ($4)[, and by the clerk, three dollars ($3.00)];

(e)[(5)] Articles of dissolution and certificate of dissolution, [by the secretary of state,] three dollars ($3)[, and by the clerk, two dollars ($2.00)];

(f)[(6)] A statement of change of address of registered office or change of registered agent, or both, by the secretary of state, five dollars ($5);

(g)[(7)] A statement by a foreign corporation designating a resident process agent, by the secretary of state, five dollars ($5);

(h)[(8)] An annual report by a domestic corporation, by the secretary of state, two dollars ($2);

(i)[(9)] An annual report by a foreign corporation, by the secretary of state, four dollars ($4); and

(j)[(10)] Certified copy of the articles of incorporation and existing amendments, by the secretary of state, twenty-five dollars ($25) as an original filing fee, and a recording fee of ten dollars ($10); ten dollars ($10) for recording subsequent amendments.

(k)[(11)] Any other statement or report of a foreign or domestic corporation, [by the secretary of state,] four dollars ($4)[, and by the clerk, two dollars ($2.00)].

(2) For recording any documents, as required by this chapter, the county clerk shall be entitled to the fees specified in KRS 64.012.

Section 3. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

Recording deed of trust or assignment for the benefit of creditors, provided the entire record thereof does not exceed three (3) pages	$ 5.00
Exceeding three (3) pages, for each page	1.50
Copy and certification of same when ordered	3.50
Each bond required to be taken or prepared by the clerk	2.00
Copy of any bond when ordered	1.50
Recording a bond, each bond	5.00
Receiving the acknowledgment or proof of any deed, mortgage or agreement, power of attorney, or other written instrument required by law to be done and certifying same	1.25
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed three (3) pages	5.00
Exceeding three (3) pages, for each page	1.50
Certified copy of deed	3.50
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed three (3) pages	5.00
Exceeding three (3) pages, for each page	1.50
Certified copy of real estate mortgage	3.50
Recording deed of assignment of real estate mortgage	5.00
Noting release of any lien, mortgage or redemption other than a deed of release	1.50
Receiving the acknowledgment, recording and certifying each deed of release of a mortgage or lien under KRS 382.360	5.00
Each additional marginal notation relating to same instrument	1.50
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	10.00
Recording survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city	10.00
Every order concerning the establishment, changing, closing or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed or discontinued, and by the applicant when it is not	1.00
Administering an oath and certificate thereof	1.00
Issuing license for which no other fee is fixed by law	1.50
Marriage license, bond, certificate and recording	4.00
For filing and indexing an original or continuation financing statement, and noting the security interest on the required receipt for one (1) motor vehicle	6.00
For filing and indexing an assignment of a financing statement	6.00
For filing and noting a statement of release of collateral under a financing statement	1.00
Recording real estate options, provided the entire record thereof does not exceed three (3) pages	5.00
Exceeding three (3) pages, for each page	1.50
Recording power of attorney or revocation of power of attorney, provided the entire record thereof does not exceed three (3) pages	5.00
Exceeding three (3) pages, for each page	1.50
Recording plats, maps and surveys, not exceeding 18 inches by 24 inches, per page	10.00
Recording all leases which are recordable by law, provided the entire record thereof does not exceed three (3) pages	5.00

Exceeding three (3) pages, for each page	1.50
Marginal notation to same instrument	1.50
Filing or recording of certification of intention to operate a business under an assumed name	5.00
Filing or recording of mechanic's and artisan's liens under KRS Chapter 376	5.00
Filing or recording of notice of lien issued by the Internal Revenue Service	5.00
Filing or recording of notice of lien discharges issued by the Internal Revenue Service	5.00
Filing or recording of lis pendens notice concerning proceedings in bankruptcy and other lis pendens notices, provided the entire record thereof does not exceed three (3) pages	5.00
Exceeding three (3) pages, for each page	1.50
Filing or recording United States liens, provided the entire record per lien does not exceed three (3) pages	5.00
Exceeding three (3) pages, for each page	1.50
Filing or recording release of a United States lien, provided the entire record per lien does not exceed three pages	5.00
Exceeding three (3) pages, for each page	1.50
Filing or recording state tax or other state liens	5.00
Filing release of a state tax or other state lien	5.00
Filing notification and declaration and petition of candidates for office	5.00
Deposit of wills under KRS 394.110	5.00
Recording wills or other probate documents under KRS 394.300	5.00
Issuance of fish and game licenses or tags costing more than $1.00 each	.50
Registration of licenses for professional persons required to register with the county clerk	5.00
Recording and issuing articles, statements, or reports of corporations pursuant to KRS Chapter 271A, *KRS Chapter 272 and KRS Chapter 273,* including articles of incorporation, amendment, restatement of incorporation, merger, *consolidation,* or dissolution and statements of establishment of a series of shares, cancellation of a series of shares, reduction of capital, intent to dissolve, revocation of voluntary dissolution, *or any other statement or report of a foreign or domestic corporation,* provided the entire record thereof does not exceed three (3) pages	5.00
Exceeding three (3) pages, for each page	1.50
Miscellaneous recordings for which no specific fee is set, provided the entire record thereof does not exceed three pages (except military discharges)	5.00
Exceeding three (3) pages, each additional page	1.50
Filing miscellaneous documents for which no specific fee is set, provided the entire record thereof does not exceed three pages	5.00
Exceeding three (3) pages, each additional page	1.50

HB 258, AN ACT relating to fiscal courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 64 IS CREATED TO READ AS FOLLOWS:

The fiscal court of any county may provide for the payment of expenses for miles actually traveled by justices of the peace or county commissioners in the performance of their duties as members of the fiscal court. The rate per mile paid fiscal court members shall not exceed the rate paid state employes for official travel in privately owned vehicles, as established by regulation of the department of finance.

HB 303, AN ACT relating to public road districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 184.010 is amended to read as follows:

Public road districts may be established in counties containing cities of the first, [or] second *or fourth* classes for the purpose of providing the general public and persons residing upon or owning property adjacent to such roads with all-weather roads, appropriate drainage of said roads and sidewalks on either or both sides of said roads with reasonable maintenance during the existence of the road district.

Section 2. KRS 184.020 is amended to read as follows:

A public road district may be established in the following manner: Any person or group of persons owning property abutting upon any public road (which is neither a county road nor a state road) *in cities of the fourth class or* in cities of the sixth class in counties containing cities of the first or second classes *or abutting upon any public road (which is neither a county road nor a state road)* [and] in *an* unincorporated *area* [areas] in counties containing cities of the first, [or] second *or fourth* classes, may sponsor the creation of such a road district. The sponsors shall first prepare or have prepared for them a map of that section of such public road which they desire to have improved. Such map shall show the boundary lines and terminal points of the road desired to be improved and shall set forth on such map the names of the owners of all property and the number of linear feet owned by them abutting upon such road, the location and size of drainage ditches and sidewalks. The sponsors of said road district shall also have estimated for them by an engineer, who must be a private engineer licensed by the Commonwealth of Kentucky, pursuant to KRS chapter 322, the approximate cost of constructing the improvements desired and reasonable maintenance for the duration of the road district, together with a statement of the approximate cost which shall be borne by each owner of property abutting on the road, determined by the number of linear feet of property owned by each abutting property holder. Said sponsors of said road district shall also prepare a petition and shall attach to said petition the aforesaid maps and statements of cost.

The Committee Amendment No. 1 to **HB 303** is as follows:

Amend printed copy of **HB 303,** page, on line 4 by inserting after the word "second" the following: "*, third*";

and on line 16 by inserting after the word "the" the following: "*third or*";

and on line 21 by inserting after the word "second" the following: "*, third*".

HB 329, AN ACT relating to special districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 74.020 is amended to read as follows:

(1) A water district shall be administered by a board of commissioners which shall control and manage the affairs of the district. The term of each commissioner is four (4) years, except as provided in this section:

(a) If a district lies wholly within a single county, or operates as a single county district as provided in paragraph (c) of this subsection, the board of commissioners shall consist of *not less than* three (3) *nor more than five (5)* residents of the district, or of any incorporated or unincorporated area served by the district in the county in which the district was originally established, who shall be appointed by the county judge/executive with the approval of the fiscal court. Initial appointments shall be for terms of two (2), three (3) and four (4) years, as designated by the court. Commissioners serving under appointments June 16, 1966 shall continue to serve until the end of their respective terms. *The number of commissioners on the board shall be determined by the county judge/executive upon the creation of the district or before January 1, 1982 whichever shall last occur. Otherwise, such boards shall consist of three (3) commissioners.*

(b) Except as provided in paragraph (c) of this subsection, if a district formed in a single county extends its area to include territory in an adjacent county as provided by KRS 74.115, the board of commissioners shall be appointed by the county judges/executive with the approval of the fiscal courts of the concerned counties as follows: in two (2) county districts, three (3) members from the original district and two (2) members from the extended portion of the district; for extensions into three (3) or more counties, the respective county judges/executive, with the approval of the fiscal courts, shall appoint, in addition to the existing membership of the commission, two (2) members from the original one-county district and two (2) members from the newly extended portion of the district. Orders establishing the extension shall provide for the staggering of initial terms in an equitable manner.

(c) If a single county district administered as provided in paragraph (a) hereof shall acquire an existing water or gas distribution system serving an area which extends beyond the boundaries of the district into another county, or if a district formed in a single county extends its area to include territory in an adjacent county as provided by KRS 74.115, it may operate the distribution system so acquired, or extended, provided the area served outside the county shall be deemed to be a minor portion of the total area served by the district, and provided the fiscal court of the county containing such minor portion of the total area shall have agreed to the acquisition or to the extension of the distribution system. If less than twenty-five percent (25%) of the total assets of the distribution system are located within the county outside of the boundaries of the district, it will be conclusively presumed that said district comes within the terms of this subsection.

(2) Vacancies shall be filled by the same appointing authority which is empowered to make the original appointment. Vacancies resulting from cause other than expiration of the term shall be filled for the unexpired term only.

(3) The commission shall elect a chairman, secretary and treasurer. Each commissioner shall execute a bond, approved by the county judge/executive, conditioned on the faithful performance of the duties of his position.

(4) Each commissioner shall receive an annual salary of not more than thirty-six hundred dollars ($3600), which shall be paid out of the water district fund. In the case of single-county districts, which shall be deemed to include districts described in paragraph (c) of subsection (1) of this section, the salary shall be fixed by the county judge/executive with the approval of the fiscal court; in multi-county districts it shall be fixed by the agreement between the county judge/executive with the approval of their fiscal courts. In fixing and approving the salary of the commissioners, the county judge/executive and the fiscal court shall take into consideration the financial condition of the district, and its ability to meet its obligations as they mature.

The Committee Amendment No. 1 to **HB 329** is as follows:

Amend printed copy of **HB 329,** page, line 21, by inserting after the word "executive" and before the word "upon" the following:

"*, with the approval of the fiscal court,*".

HB 341, AN ACT relating to county police force merit boards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 78.440 is amended to read as follows:

(1) Every county police force merit system board created hereunder shall make, promulgate, and when necessary, amend rules for the qualifications, original appointment, promotion, demotion, transfer, layoff, reinstatement, suspension, fine and removal of the officers and employes covered by KRS 78.400 to 78.460. The board shall publish its rules and any amendments thereto by supplying a certified copy thereof to the county judge/executive, the fiscal court and the chief, and by posting a copy thereof conspicuously in the office or place where the headquarters of the county police is maintained. Said rules and amendments thereto shall be published in the manner prescribed within three (3) days after the adoption thereof.

(2) The rules in addition to other matters shall specifically provide for and cover the following:

(a) 1. Physical, mental, educational, citizenship and age requirements for new employes and officers.

2. Physical, mental, educational, citizenship and age requirements for new employes and officers and seniority requirements for promotion from lower to higher rank or classification.

3. In counties containing cities of the first class a man serving as a grade A patrolman must have three (3) years of service as a grade A patrolman before he may be eligible for the promotion to the rank of sergeant.

(b) 1. Open competitive written, oral and physical tests to determine the relative fitness of all candidates and examinations for original appointment and for promotion.

2. Public notices of examinations provided in subparagraph 1 of paragraph (b) and subparagraph 2 of paragraph (a) of this subsection.

(c) Temporary appointments in case of emergency.

(d) Organization and meetings of the board.

(e) Procedure and conduct of public hearings.

(3) *No county police force merit system board shall adopt a rule requiring the retirement of officers or employes prior to the first day of the month following the officer or employe's fifty-seventh (57th) birthday. This subsection shall not prohibit retirement prior to age fifty-seven (57) on a voluntary basis.*

(4) In counties containing cities of the first class the board shall employ a chief examiner who shall be professionally qualified and experienced in the field of testing and who shall formulate, give, grade and administrate all written tests as required by the board. Said chief examiner shall report to the board the results of all tests given by him and he shall be solely responsible to the board. The chief examiner shall select a panel of four (4) members to conduct an oral examination of the applicants for promotion. The panel shall consist of two (2) persons of a supervisory capacity from the same classified service as the applicant and two (2) persons from an outside agency or agencies in the same field. The chief examiner shall compile the grades of all applicants based upon the percentages as set out below and shall deliver, in a sealed envelope,

the scores of all applicants for promotion to the chairman of the board. The chief examiner shall not reveal to anyone the results of said tests other than in the manner set forth herein.

(5)[(4)] Physical fitness for promotion is presumed unless certified to the contrary by the chief of police who shall supply the board with medical records of the disability.

(6)[(5)] At least ninety (90) days' notice shall be given before the promotional examination is conducted.

(7)[(6)] The grading of promotional tests shall be as follows: 60 per cent for written examination; 5 per cent for oral examination; 20 per cent for seniority; and 15 per cent for efficiency.

The Committee Amendment No. 1 to **HB 341** is as follows:

Amend printed copy of **HB 341,** page 2, on line 21 by deleting the words "*fifty seventh (57th)*" and substituting therefor: "*fifty-eighth (58th)*";

and on line 23 by deleting the words "*fifty-seven (57)*" and substituting therefore: "*fifty-eight (58)*".

The Committee on Health and Welfare reported **HB 125, HB 155,** and **HB 293,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 125, AN ACT relating to abortions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 311.710 TO 311.820 IS CREATED TO READ AS FOLLOWS:

No public funds shall be used for the purpose of obtaining an abortion or paying for the performance of an abortion. For purposes of this section, "public funds" means any money of the Commonwealth of Kentucky, any department, agency or instrumentality thereof, or any money of any county, city, agency or instrumentality thereof or any money of any other political subdivision of the Commonwealth, agency or instrumentality thereof.

Section 2. KRS 205.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Department" means the department for human resources;

(2) "Secretary" means the secretary for human resources or his authorized representative;

(3) "Public assistance" means money grants, assistance in kind or services to or for the benefit of needy aged, needy blind, needy permanently and totally disabled persons, needy children or persons with whom a needy child lives or a family containing a combination of these categories except that the term shall not be construed to permit the granting of financial aid where the purpose of such aid is to obtain an abortion. *For purposes of this section and KRS 205.560, "abortion" means an act, procedure, device or prescription administered or prescribed for a pregnant woman by any person, including the pregnant woman herself producing premature expulsion of the fetus. Abortion does not include an induced premature birth intended to produce a live viable child* [, induced miscarriage or induced premature birth unless, in the opinion of a physician, such procedures are necessary for the preservation of the life of the woman seeking such treatment, or except an induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or her unborn child];

(4) "Needy child" means a child who has been deprived of parental support by reasons prescribed by regulations within the scope of Title IV of the Social Security Act, its amendments and federal regulations and who does not have otherwise provided for him a subsistence compatible with decency and health;

(5) "Parent", in addition to natural or adoptive parent, shall include stepparent;

(6) "Needy aged" means a person who has attained the age of sixty-five (65) and who is unable to provide for himself and who does not have otherwise provided for him a subsistence compatible with decency and health;

(7) "Needy blind" means a person who has no vision or whose vision is so defective as to prevent the performance of ordinary activities for which eyesight is essential and who is unable to provide for himself and who does not have otherwise provided for him a subsistence compatible with decency and health;

(8) "Person with whom a needy child lives" means the individual prescribed by regulation, with whom such child is living in a place of residence maintained by such individual by himself or together with one (1) or more other persons;

(9) "Needy permanently and totally disabled" means a person eighteen (18) years of age or older and who has a permanent physical or mental impairment, disease or loss that substantially precludes him from engaging in useful occupations within his competence and who is unable to provide for himself and who does not have otherwise provided for him a subsistence compatible with decency and health;

(10) "Private institution" means any establishment or place other than a public institution operated or maintained by any individual, association, corporation or other organization which provides a group living arrangement for four (4) or more individuals, who are cared for and maintained in residence for compensation or otherwise;

(11) "Public institution" means any establishment or place which is the responsibility of and administered by the state or any political subdivision thereof providing a group living arrangement in which one (1) or more individuals are cared for and maintained in residence;

(12) "Public medical institution" means any public institution the primary purpose of which is to furnish hospital care and medical treatment;

(13) "Person determined to be potentially responsible" means any person who:

(a) Is not aged, blind, disabled, incapacitated, or needed in the home

1. Because of the illness or incapacity of a member of the family, or

2. Because of children in the home under the age of six, or

(b) Volunteers for such determination;

(14) As used in KRS 205.650 to 205.700, unless the context otherwise requires:

(a) "Community work experience program" shall mean a program to provide work experience and training for recipients of public assistance who are not otherwise able to obtain employment or who are not actively participating in training or education programs;

(b) "Designated geographic area" shall mean one (1) county or a portion of one (1) county selected by the secretary as the site of a community work experience program; and

(c) "Recipient" shall mean a person who currently receives benefits from public assistance.

Section 3. KRS 205.560 is amended to read as follows:

(1) The scope of medical care for which the department for human resources undertakes to pay shall be designated and limited by regulations promulgated by said department, pursuant to the provisions hereof. Within the limitations of any appropriation therefor, the provision of complete upper and lower dentures to recipients of medical assistance program benefits who have their teeth removed by a dentist resulting in the total absence of teeth shall be a mandatory class in the scope of medical care. Payment to a dentist of any such medical assistance program benefits for complete upper and lower dentures shall only be provided on the condition of a preauthorized agreement between an authorized representative of the medical assistance program and the dentist prior to the removal of such teeth. The selection of another class or other classes of medical care shall be recommended by the council to the secretary for human resources after taking into consideration, among other things, the amount of federal and state funds available, the most essential needs of recipients, and the meeting of such need on a basis insuring the greatest amount of medical care as defined in KRS 205.510 consonant with the funds available including but not limited to the following categories; except where such aid is for the purpose of obtaining an abortion[, induced miscarriage or induced premature birth unless, in the opinion of a physician such procedures are necessary for the preservation of the life of the woman seeking such treatment or except an induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or her unborn child]:

(a) Hospital care, including drugs, and medical supplies and services during any period of actual hospitalization;

(b) Nursing home care, including medical supplies and services, and drugs during confinement therein on prescription of a physician, dentist, or podiatrist;

(c) Drugs, nursing care, medical supplies and services during the time when a recipient is not in a hospital but is under treatment and on the prescription of a physician, dentist, or podiatrist;

(d) Physician, podiatric, dental and optometric services;

(e) Nonprofit neighborhood health organizations or clinics where some or all of the medical services are provided by licensed registered nurses or by advanced medical students presently enrolled in a medical school accredited by the Association of American Medical Colleges and where such students or licensed registered nurses are under the direct supervision of a licensed physician who rotates his services in this supervisory capacity between two or more of the nonprofit neighborhood health organizations or clinics specified herein.

(2) Payments for hospital care, nursing home care, and drugs or other medical, ophthalmic, podiatric and dental supplies shall be on bases which relate the amount of the payment to the cost of providing such services or supplies. It shall be one of the functions of the council to make recommendations to the department for human resources with respect to such bases for payment.

(3) No vendor payment shall be made unless the class and type of medical care rendered and the cost basis therefor has first been designated by regulation.

(4) The rules and regulations of the department for human resources shall require that a written statement including the required opinion of a physician shall accompany any claim for reimbursement for

[abortions, induced miscarriages or] premature births. This statement shall indicate the procedures used in providing such medical services.

(5) The range of medical care benefit standards provided and the quality and quantity standards and the methods for determining cost formulae for vendor payments within each category of public assistance and other recipients shall be uniform for the entire state, and shall be designated by regulation promulgated within the limitations established by the Social Security Act and federal regulations. The amount of payments for units of services need not be uniform for the entire state but may vary from county to county and from city to city, as well as among hospitals, based on the prevailing cost of medical care in such locale and other local economic and geographic conditions.

(6) Nothing in this section shall require that any payment be made for optometric services or ophthalmic supplies.

HB 155, AN ACT relating to physical therapy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 327.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Physical therapy" means the *use of selected knowledge and skills in planning, organizing and directing programs for the care of individuals whose ability to function is impaired or threatened by disease or injury, encompassing preventive measures, screening and evaluation and invasive or noninvasive procedures with emphasis on the skeletal system, neuromuscular and cardiopulmonary function, as it relates to physical therapy. Physical therapy includes screening or evaluations performed to determine the degree of impairment of relevant aspects such as, but not limited to, nerve and muscle function including subcutaneous bioelectrical potentials, motor development, functional capacity and respiratory or circulatory efficiency. Physical therapy also includes therapeutic procedures performed upon referral by a licensed doctor of medicine, osteopathy, dentistry or podiatry including, but not limited to, exercises for increasing or restoring strength, endurance, coordination and range of motion, stimuli to facilitate motor activity and learning, instruction in activities of daily living and the use of assistive devices and the application of physical agents to relieve pain or alter physiological status* [treatment of any bodily or mental condition of any person by the use of physical, chemical, or mechanical agents, the properties of heat, light, water, electricity, massage, sound and therapeutic exercises, including rehabilitation procedures, all under the prescription of a licensed medical doctor or dentist]. The use of roentgen rays and radium for diagnostic or therapeutic purposes, the use of electricity for surgical purposes, including cauterization and colonic irrigations are not authorized under the term "physical therapy" as used in this chapter.

(2) "Physical therapist" means a professional person who *practices* [is licensed to practice] physical therapy.

(3) "Board" means the state board of physical therapy established by KRS 327.030.

(4) *"Referral" means the designation of physical therapy procedures by a licensed doctor of medicine, osteopathy, dentistry or podiatry* ["Prescription" means the designation of physical therapy treatment by a medical doctor or dentist and the instruction therefor and may be as detailed or as general as the medical doctor or dentist in his sound discretion deems necessary in the particular case].

(5) "Temporary license" means a license granted to an individual who meets all requirements for examination and has made application for examination but who has not taken the examination.

Section 2. KRS 327.020 is amended to read as follows:

(1) No person shall hold himself out as a physical therapist or in any manner represent himself as a physical therapist in this state unless he is licensed in accordance with the provisions of this chapter. Provided, however, That nothing contained in this chapter shall [apply to the practice of chiropractic or] prohibit any person licensed in this state according to law, from carrying out the therapy or practice for which he is duly licensed. Provided further That persons regularly employed by the United States [or in mental hospitals operated by the Commonwealth of Kentucky] shall be exempted from the provisions of this chapter while engaged in such employment.

(2) A licensed physical therapist may hold himself out as a "physical therapist" or "licensed physical therapist" and may use the abbreviations "P.T." or "L.P.T." as a part of or immediately following his name, in connection with his profession. No person who is not the holder of a physical therapist license from the board shall so use the terms "physical therapist" or "licensed physical therapist" or the abbreviation "L.P.T.", *"P.T." or any other term that may imply that the person is a physical therapist.* [and no person other than licensees of said board or physio-therapists licensed by the secretary for human resources shall so use the abbreviation "P.T."]

Section 3. KRS 327.030 is amended to read as follows:

There is hereby established a state board of physical therapy which shall consist of five (5) members who shall be appointed by the governor. At least three (3) of the members shall be appointed from a list of five (5) persons submitted by the Kentucky chapter of the American Physical Therapy Association, all of whom shall be residents of Kentucky and shall have engaged in the practice of physical therapy within this state for at least two (2) years. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. Members shall be appointed for a term of three (3) years and until their successors are appointed and qualify. Vacancies of physical therapist members shall be filled by the governor in like manner from a list of five (5) submitted by the Kentucky chapter of the American Physical Therapy Association. The board shall annually elect a chairman and a secretary. *A member may be removed from the board only for cause. Failure to attend at least half of the board meetings in a fiscal year shall constitute cause.*

Section 4. KRS 327.040 is amended to read as follows:

(1) It shall be the duty of the state board of physical therapy to receive applications from persons desiring to become physical therapists and to determine whether said applicants meet the qualifications and standards required by this chapter of all physical therapists. The board shall also be charged with enforcement of the provisions of this chapter.

(2) The board is hereby constituted a body corporate, with power to sue and be sued, to institute criminal proceedings in the name of the Commonwealth against violators of this chapter, or to institute civil proceedings to enjoin violation thereof, or both. It shall investigate every supposed violation of this chapter coming to its notice and shall take such action as it may deem to be appropriate. It shall be the duty of the attorney general, the commonwealth's attorneys and the county attorneys to assist the board in prosecuting all violations of this chapter.

(3) The board shall meet at least once each quarter at such place in this state as may be selected by the board. *Three (3)* [Two (2)] members of the board shall constitute a quorum for the transaction of business. All meetings shall be held at the call of the chairman *or at a call of a quorum of members* upon not less than ten (10) days' written notice, unless notice shall be waived. The presence of any member at any such meeting of the board shall constitute a waiver of notice thereof by such member.

(4) The board may administer oaths and compel the attendance of witnesses to give testimony as to any matters pertaining to its duties.

(5) The board [It] shall keep a minute book containing a record of all meetings of the board.[,]

(6) The board shall maintain [and] a register of all persons licensed under this chapter. This register shall show the name of every [living] physical therapist *licensed* in this state, his *current* [last known] business and residence address *and telephone numbers*, and the date and number of his license. *The board shall be notified by a licensee of a change of name, address or telephone number, within thirty (30) days of the change.*

(7) The board's records shall be updated annually.

(8) The board shall publish annually and make available, a current directory of all licensed physical therapists.

(9)[(5)] The board shall adopt a seal which shall be affixed to every license granted by it.

(10) The board [It] may adopt and enforce reasonable regulations for the effectuation of the purposes of this chapter, which regulations when properly filed with the Legislative Research Commission, shall have the force and effect of law.

(11) The board shall establish by regulation a code of ethical standards and standards of practice.

(12)[(6)] The board shall have the right to regulate physical therapists' assistants and may promulgate reasonable rules and regulations regarding the certification thereof, limitations of activities thereof, the supervision thereof, and the educational qualifications therefor, provided such rules and regulations are in accordance with KRS chapter 13. *The board may establish reasonable fees for the certification, renewal and endorsement of physical therapists' assistants. The fees shall not exceed corresponding fees for physical therapists.*

Section 5. KRS 327.050 is amended to read as follows:

(1) To be eligible for licensure by the board as a physical therapist, an applicant *shall have successfully completed an accredited program of physical therapy and be* [must have a high school education or its equivalent as determined by the board, be of good moral character and] a graduate of an accredited school of physical therapy approved by the board. No school shall be approved unless it has been accredited or approved by the *committee on allied health education and accreditation* [Council on Medical Education] of the American Medical Association, or the American Physical Therapy Association.

(2) Any person who possesses the aforementioned qualifications and who desires to be examined for licensure as a physical therapist in Kentucky shall make written application therefor to the board, on forms to be provided by the board, which shall be accompanied by an application fee determined by the board but not to exceed *one hundred twenty-five dollars ($125)* [seventy-five dollars ($75.00)], no part of which shall be returned.

(3) If it appears from said application that the applicant possesses the qualifications required by this chapter, such applicant shall be admitted to the next scheduled examination *and tested* in [which his knowledge of anatomy, neuro-anatomy, kinesiology, physiology, pathology, psychology, neurology, medical ethics, technical procedures in the practice of physical therapy and] such [other] subjects as the board may determine to be necessary[, shall be tested].

(4)[(3)] Examinations shall be held within the state at least once a year at such time and place as the board shall determine.

(5) Applicants who are admitted to the examination may be granted temporary licenses which shall be valid until said applicants' examinations are graded and they are notified by the board of their score thereon.

(6) All applicants who receive a passing score as determined by the board shall be licensed as physical therapists and furnished with a certificate attesting thereto. [This license shall be automatically renewed annually, without further examination, upon payment on or before January 31 of each year, of a renewal fee to be fixed by the board in an amount not to exceed $20.00. Licenses which are not renewed by that date shall lapse, except that the board may reinstate a lapsed license upon payment of the renewal fee.]

(7) Applicants who fail to receive a passing score on their examination shall not be licensed; but the board may, by regulation, permit applicants to take the examination more than once.

(8) All licenses shall be renewed annually, without further examination, upon payment on or before January 31 of each year of a renewal fee to be fixed by the board in an amount not to exceed forty dollars ($40).

(9) Licenses which are not renewed by January 31 of each year shall lapse.

Section 6. KRS 327.060 is amended to read as follows:

The board *shall issue a license to:*

(1) An individual who holds a valid license from another state, who meets requirements specified in KRS 327.050 and who has no imposed or pending disciplinary actions.

(2) An individual who has been trained in a foreign country, subject to the following requirements:

(a) Graduation from a physical therapy program which is approved by a reputable accrediting agency acceptable to the board.

(b) Successful completion of the examination provided for in KRS 327.050.

(c) Demonstration of proficiency in the English language.

(d) Successful completion of one (1) year of supervised practice under a physical therapist licensed under this chapter. This requirement may be satisfied by one (1) year of practice as a licensed physical therapist in a state with license requirements comparable to or more stringent than those of Kentucky. [may enter into reciprocity agreements or indorsements with other states or foreign countries, providing for the recognition of persons licensed, registered, or certified in Kentucky and such other states or foreign countries, if the standards of such other state or foreign country are determined by the board to be as high as those of this state.]

Section 7. KRS 327.070 is amended to read as follows:

The board, after due notice and hearing may refuse to license any applicant, and may refuse to renew the license of any licensed person, and may suspend or revoke *or place on probation* the license of any licensed person:

(1) Who indulges in excessive use of alcoholic beverages or who is addicted to the use of narcotic drugs;

(2) Who has *engaged in or permitted the performance of, substandard patient care by himself or by persons working under his supervision due to a deliberate or negligent act or failure to act, regardless of whether actual injury to the patient is established* [been convicted of violating any state or federal narcotic law];

(3) Who *has* [is], in the judgment of the board, *engaged in a course of lewd or immoral conduct in connection with the delivery of health care services to patients* [guilty of immoral or unprofessional conduct];

(4) Who has been convicted of a felony or any crime *which affects his ability to continue to practice competently and safely on the public* [involving moral turpitude];

(5) Who has obtained or attempted to obtain a license by fraud or material misrepresentation or who has made any other false statement to the board.

(6) *Who engaged in fraud or material deception in the delivery of professional services, including reimbursement, or has advertised services in a false or misleading manner;*

(7) Who is guilty, in the judgment of the board, of gross negligence *or gross incompetency* in his practice of physical therapy;

(8)[(7)] Who has been declared mentally incompetent by a court of competent jurisdiction and has not thereafter been declared lawfully sane;

[(8) Who has treated or undertaken to treat human ailments otherwise than by physical therapy as defined in this chapter, or who has undertaken to practice independent of the prescription, direction or supervision of a licensed medical doctor or dentist.]

(9) Who has failed or refused to obey any lawful order or regulation of the board;

(10) Who has promoted for personal gain an unnecessary device, treatment, procedure or service, or who has directed or required a patient to purchase a device, treatment, procedure or service from a facility or business in which he has a financial interest; and

(11) Who has been adjudged unfit to practice due to a physical or mental disability. When physical or mental capacity is at issue in a board proceeding, the board may order the practitioner to submit to a reasonable physical or mental examination. Failure to comply shall be grounds for the summary revocation of the practictioner's license.

SECTION 8. A NEW SECTION OF KRS CHAPTER 327 IS CREATED TO READ AS FOLLOWS:

(1) The board may reinstate within three (3) years, a license which has lapsed upon payment of the prescribed license renewal fee and, in addition, the payment of a reinstatement fee not to exceed twenty-five dollars ($25).

(2) The board may reinstate a license which has been lapsed for more than three (3) years, upon showing that the applicant is able to practice with reasonable competency. In determining competency, the board, at its discretion, may require the applicant to successfully complete all or any part of the licensing examination.

(3) The board may reinstate a license which has been suspended or revoked under provisions of KRS chapter 327, if after a hearing, the board determines the applicant is able to practice the profession with reasonable competency and is able to maintain the ethical code and standards of practice promulgated by regulation. As a condition of reinstatement, the board may impose reasonable restrictions under which the licensee shall practice.

Section 9. KRS 327.080 is amended to read as follows:

All fees collected by the board shall be paid into the state treasury and credited to an account for the payment of all lawful expenses of the board. Each member of the board shall be entitled to a per diem *to be established by the board but not to exceed sixty dollars ($60)* [of $30.00] and his reasonable expenses for attending each meeting of the board, and the board may employ such personnel and purchase such materials and supplies as it may deem necessary for the proper discharge of its duties, all of which shall be paid for out of the account hereby created, on vouchers certified by the chairman.

Section 10. KRS 327.990 is amended to read as follows:

(1) Each violation of KRS 327.020 shall constitute a misdemeanor and be punished by a fine of not less than fifty dollars ($50.00) nor more than *five hundred dollars ($500)* [one hundred dollars ($100)] or by imprisonment for not less than ten (10) days nor more than thirty (30) days, or both, for the first offense. Each subsequent violation thereof shall be punished by a fine of not less than one hundred dollars ($100) nor more than *one thousand dollars ($1,000)* [three hundred dollars ($300)] or by imprisonment for not less than thirty (30) days nor more than ninety (90) days or both.

(2) Any person who shall knowingly make a false statement in his application for licensure under this chapter, or in response to any proper inquiry by the board, shall be guilty of a misdemeanor and fined not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000) or imprisoned for not less than thirty (30) days nor more than six (6) months, or both.

HB 293, AN ACT relating to immunizations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 214.036 is amended to read as follows:

Nothing contained in KRS 158.035, 214.010, 214.020, 214.032 to 214.036 and 214.990 shall be construed to require the testing for tuberculosis or the immunization of any child at a time when, in the written opinion of his attending physician, such as testing or immunization would be injurious to the child's health. Nor shall KRS 158.035, 214.010, 214.020, 214.032 to 214.036 and 214.990 be construed to require the immunization of any child whose parents [are members of a nationally recognized and established church or religious denomination, the teachings of which] are opposed to medical immunization against disease, and who object *by a written sworn statement* [in writing] to the immunization of such child on *religious or moral grounds* [that ground]. Provided, however, That in the event of an epidemic in a given area, the state board of health may, by emergency regulation, require the immunization of all persons within the area of epidemic, against the disease responsible for such epidemic.

The Committee Amendment No. 1 to **HB 293** is as follows:

Amend printed copy of **HB 293**, page 1, line 16, by deleting "*or moral*"

Calendar

HR 12, HB 206, HB 103, HB 86, HB 10, HB 59, and **HB 130** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 37 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 37** be passed.

Representative DeFalaise moved that **HB 37** be laid on the Clerk's desk.

On the roll call the vote was yeas 7-Barrows, Blythe, DeFalaise, Heleringer, LeMaster, McKinney, Schmidt. Nays 74-Adams, Allen, Arnold, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Isler, Johnson, Jones, Kenton, Lewis, List, Lundergan, May, Maynard, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, B. Richardson, P. Richardson, Riner, Robinson, Sale, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, White, Wilborn, Worthington, Wright.

The motion that **HB 37** be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 80-Adams, Allen, Arnold, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McNutt, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, White, Worthington, Wright, Yates. Nays 12-Barrows, Blythe, Cawood, Clarke, DeFalaise, Heleringer, Hines, McKinney, Moberly, Weinberg, Wilborn, Williams.

HB 37 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 37** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 158, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of the Committee Amendment No. 1 to **HB 158.** Agreed.

Representative Burch moved that **HB 158**, as amended, be passed.

On the roll call the vote was yeas 73-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, Little, Lundergan, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, Williams, Yates. Nays 23-Allen, Blair, Clapp, Clarke, Curd, Deskins, Ellington, Fryman, Gray, Jones, Layman, Lewis, List, Mann, McKinney, Overstreet, Pearman, Plummer, Reynolds, Turner, Wilborn, Worthington, Wright.

HB 158, as amended, was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 158,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 240, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Haering moved the adoption of the Committee Amendment No. 1 to **HB 240.** Agreed.

Representative Haering moved that **HB 240,** as amended, be passed.

On the roll call the vote was yeas 96-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 240, as amended, was passed and the title agreed to.

Representative Haering moved that the vote by which **HB 240,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 279, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved the adoption of the Floor Amendment No. 1 to **HB 279.**

On the roll call the vote was yeas 65-Adams, Arnold, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Cawood, Clapp, Clarke, Craddock, Crupper, Davenport, Dawahare, DeMarcus, Donnermeyer, Farrow, Foster, Freibert, Guenthner, Haering, Head, Heleringer, Hines, Holbook, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, Lewis, List, May, McBee, McKinney, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, Riner, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Worthington, Wright, Yates. Nays 21-Allen, Barrows, Bennett, Bruce, Caldwell, Curd, Cyrus, DeFalaise, Deskins, Fryman, Gray, Hancock, Jones, Layman, Little, Moberly, Morris, B. Richardson, P. Richardson, Tobin, Turner.

Floor Amendment No. 1 to **HB 279** was adopted.

Representative Johnson moved that **HB 279,** as amended, be passed.

On the roll call the vote was yeas 34-Arnold, Barrows, Bennett, Blandford, Blythe, Boswell, Bronger, Burch, Clapp, Clark, Cyrus, Davenport, DeMarcus, Donnermeyer, Heleringer, Holbrook, Holloway, Johnson, Jones, LeMaster, List, Nett, Overstreet, Patrick, Rattliff, Riner, Robinson, Smith, Stumbo, Thomason, Turner, Williams, Wright, Yates. Nays 56-Adams, Allen, Bendl, Blair, Brinkley, Bruce, Burnette, Caldwell, Cawood, Clarke, Craddock, Crupper, Curd, DeFalaise, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Isler, Kenton, Kidd, Layman, Lewis, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Pearman, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, Romines, Stone, Thomas, Tobin, Van Horn, Weinberg, Wilborn, Worthington.

HB 279, as amended, was defeated.

HB 280 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **HB 280** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 4-Fryman, Guenthner, Reynolds, Van Horn.

HB 280 was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 280** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 26 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Crupper moved the adoption of **HCR 26.**

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 2-DeFalaise, Holbrook.

HCR 26 was adopted and the title agreed to.

Representative B. Richardson moved that consideration of **HB 70** be deferred and that it retain its position in Orders of the Day. Agreed.

Representative B. Richardson moved that the rules be suspended to allow Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 474, by Representatives Fryman, Plummer, DeMarcus, Turner, Overstreet, Reynolds, DeFalaise, Layman, Allen, Cyrus, and Lewis: AN ACT relating to litter.

HB 475, by Representative Riner: AN ACT relating to crimes and punishments.

HB 476, by Representative Riner: AN ACT relating to crime victims' compensation.

HB 477, by Representative Donnermeyer: AN ACT relating to public procurement.

HB 478, by Representative Donnermeyer: AN ACT relating to thoroughbred racing.

HB 479, by Representative Nett: AN ACT relating to demotion of administrative personnel.

HB 480, by Representatives Mann, Petty, Schmidt, Isler, Caldwell, McBee, DeFalaise, and Donnermeyer: AN ACT relating to chambers of commerce.

HB 481, by Representatives Cawood, Barrows, and Hancock: AN ACT relating to flood plains.

HB 482, by Representatives Cawood, Barrows, Noe, and Hancock: AN ACT relating to floods.

HB 483, by Representatives Cyrus and Gray: AN ACT relating to unemployment compensation.

HB 484, by Representative Cyrus: AN ACT relating to insurance.

HR 49, by Representatives Guenthner and Burnette: A RESOLUTION supporting President Carter in his decision to boycott the 1980 Moscow Olympics.

HR 50, by Representatives DeMarcus, Fryman, Allen, Blair, Blythe, Caldwell, Davenport, DeFalaise, Freibert, Guenthner, Haering, Heleringer, Holbrook, Holloway, Layman, Lewis, McKinney, Overstreet, Patrick Plummer, Rattliff, Robinson, Schmidt, Turner, and Wright: A RESOLUTION urging enactment of a balanced budget, and a moratorium on tax increases.

Posting of Bills and Resolutions for Consideration
(continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Appropriations and Revenue: **HB 351.**

Education: **HR 40, HB 333, HB 412.**

Counties and Special Districts: **HB 358, HB 359, HB 360, HB 361, HB 375, HB 376.**

Banking and Insurance: **HB 374.**

Motions, Petitions and Communications

Representative Burch filed the following Floor Amendment No. 1 to **HB 214:**

Amend printed copy of **HB 214,** on page 1, lines 17-21, by deleting the phrase, "*Recipients of medical assistance shall receive information in writing annually explaining the availability of dentures through the medical assistance program explaining the eligibility requirements for dentures, and informing recipients that*"

And on page 2, lines 1 and 2, by deleting the phrase, "*dentures are available through dental clinics of schools of dentistry as well as through private dentists.*", and inserting in lieu thereof the phrase, "*Applicants for dentures through the medical assistance program shall be advised that the service of making dentures is available at the University of Kentucky's and the University of Louisville's schools of dentistry through their dental clinics.*"

Speaker Pro Tempore Hancock presiding.

Representative Cyrus moved the adoption of the following Legislative Citation No. 24:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Boy Scout Troop 168 and your fine Scout Master, Mr. Darrell Stevens, for your devotion and loyalty to the field of scouting. Your high standards embracing trustworthiness, loyalty, thrift, obedience, service to others and love for God and country are admirable. Your high objective of helping young men mature and become good law-abiding citizens is a cherished and rewarding experience. Perilous times that confront our world today make it more imperative that your Scouting code become your daily concern to be physically strong, mentally awake and morally straight. The Scouts' Motto "Be Prepared" is our greatest foundation for success. This honorable body salutes you as fine American citizens. (Sponsored by Representative Cyrus)

Agreed.

The following meetings were announced:

Labor and Industry: February 7 at noon.

Appropriations and Revenue, Subcommittee on Transportation: Cancelled today, will meet tomorrow at same time.

Cities: Thursday, 9:00 a.m., Room 307.

Appropriations and Revenue: Thursday, 12 noon, Room A; Budget hearings, Monday 10:00 a.m. (Full schedule will be available next week.)

Natural Resources and Environment: Thursday, 12 noon, Room A.

Appropriations and Revenue Subcommittee on Natural Resources: Today on adjournment, Legislative Lounge.

Appropriations and Revenue Subcommittee on Transportation: Cancelled today, will meet tommorrow at same time.

Judiciary Subcommittee on Grand Juries: Thursday, 12 noon, Room 9.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Thursday, February 7, 1980.

On the roll call the vote was yeas 63-Adams, Allen, Arnold, Barrows, Bennett, Blythe, Boswell, Bronger, Brown, Bruce, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Isler, Johnson, Jones, Kidd, Layman, List, Mann, McBee, Moberly, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Reynolds, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Smith, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Worthington. Nays 9-Deskins, Guenthner, LeMaster, Overstreet, Priddy, Rapier, Robinson, Romines, Stumbo.

The motion to adjourn was adopted.

THURSDAY, FEBRUARY 7, 1980

TWENTIETH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Don Nunnelly, First Christian Church, Henderson, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of February 6, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 485, by Representative Rapier: AN ACT relating to automobile insurance.

HB 486, by Representative Rapier: AN ACT relating to district courts and making an appropriation therefor.

HB 487, by Representative Burch: AN ACT relating to planning and zoning.

HB 488, by Representative Van Horn: AN ACT relating to death benefits for peace officers and fire fighters.

HB 489, by Representatives Bruce, Brinkley, Morris, Barrows, Blair, Brown, Cawood, Curd, Cyrus, Lewis, McKinney, Moberly, Patrick, Plummer, P. Richardson, Robinson, Sale, and White: AN ACT relating to trial courts and making an appropriation therefor.

HB 490, by Representative B. Richardson: AN ACT relating to telephone cooperative associations.

HB 491, by Representatives Gray, Boswell and Cyrus: AN ACT relating to insurance.

HCR 51, by Representative Van Horn: A CONCURRENT RESOLUTION requesting and petitioning the Congress of the United States to propose by consent of two-thirds of both Houses an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 472, HB 473.**

Appropriations and Revenue: **HB 465.**

Banking and Insurance: **HB 484.**

Business Organizations and Professions: **HB 461, HB 466, HB 478.**

Cities: **HB 467, HB 480.**

Education: **HB 469, HB 470, HB 479.**

Energy: **HB 468.**

Judiciary: **HB 475, HB 476.**

Labor and Industry: **HB 471, HB 483.**

Natural Resources and Environment: **HB 474, HB 481, HB 482.**

State Government: **HB 462, HB 463, HB 464, HB 477, HR 49, HR 50.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Appropriations and Revenue: **HB 183, HB 184, HB 75.**

Agriculture and Small Business: **HB 380.**

Elections and Constitutional Amendments: **HB 301, HB 350, HB 352, HB 353, HB 379.**

Report of Committees

The Committee on Rules reported **HB 10, HB 59, HB 85, HB 102, HB 103, HB 123, HR 12,** and **SB 60** have been posted for passage in Orders of the Day, February 8, 1980.

The Committee on Rules reported **HB 167** has been recommitted to the Committee on Appropriations and Revenue.

The Committee on Rules reported **HB 265** has been recommitted to the Committee on State Government.

The Committee on Agriculture reported **HB 105,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered placed in the Calendar.

The Committee Substitute to **HB 105** is as follows:

Committee Substitute for **HB 105,** AN ACT relating to the registration of agricultural land and mineral rights.

WHEREAS, it is in the best interests of the citizens of the Commonwealth of Kentucky to preserve its natural resources and agricultural lands from exploitation by non-resident aliens; and

WHEREAS, it is important to the citizens of this state to ascertain the actual ownership of those holding title to, interest in, or leasing its natural resources and agricultural lands, where such are being purchased or controlled by non-resident aliens or foreign businesses; and

WHEREAS, registration of ownership, or interest, or holding at the time of purchasing or otherwise obtaining any interest, is best effectuated and controlled through a disclosure procedure with the secretary of state and the property valuation administrator in each county where such land is located;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

This Act shall be known and may be cited as the "Alien Land Investment Act."

SECTION 2. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

It is the purpose and intent of the general assembly to establish a comprehensive reporting system to monitor acquisition of all interests, other than security interests, obtained in mineral rights and agricultural lands by non-resident aliens and foreign business concerns.

SECTION 3. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

As used in this Act unless the context otherwise requires:

(1) "Agricultural land" means any tract or tracts of land in this state having a cumulative total of more than forty (40) acres whether inside or outside the corporate limits of any municipality, which is capable, without substantial modification to the character of the land, of supporting an agricultural enterprise, including, but not limited to, land used for the production of agricultural crops or fruit or other horticultural products, or for the raising or feeding of animals for the production of livestock or livestock products, poultry or poultry products, or milk or dairy products.

(2) "Alien" means:

(a) Any foreign person who is not a citizen or national of the United States or who is not a resident of the United States or of some state, territory, trusteeship or protectorate of the United States, or who is not lawfully admitted to the United States for permanent residence or parole into the United States under the immigration and nationality act;

(b) Any person, other than an individual or a government, which is created or recognized under the laws of a foreign government or which has its principal place of business located outside of all the states;

(c) Any person, other than an individual or a government, which is created or organized under the laws of any state and in which a significant interest or substantial control is directly or indirectly held:

1. By any person referred to in paragraph (a) of this subsection;
2. By any person referred to in paragraph (b) of this subsection;
3. By any foreign government; or
4. By any combination of such individuals, persons or governments.

(3) "Residence" means the place of general abode; the place of general abode means the principal, actual dwelling place in fact, where the individual intends to remain permanently or at least for an indefinite period of time.

(4) "Foreign business" means any business entity whether or not incorporated, including, but not limited to, corporations, partnerships, limited partnerships, joint ventures and associations in which a controlling interest is owned by aliens. In determining ownership of a foreign business, legal fictions such as corporate form or trust shall be disregarded.

(5) "Foreign government" means any government other than the federal government, or any government of a state, or a political subdivision of a state.

(6) "Person" includes any individual, corporation, company, association, firm, partnership, society, joint stock company, trust, estate, or any other legal entity.

SECTION 4. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) It shall be considered ownership or interest in mineral rights and agricultural lands whenever an alien or foreign business shall purchase as an owner, shall lease, or otherwise hold any interest in any mineral rights or agricultural lands in this state; and such alien or foreign business shall be required to register that interest and disclose the actual names of the alien owners of such property.

(2) Constructive ownership, as defined by the internal revenue service in 26 U.S.C.A. Section 318, shall apply when enforcing the provisions of this Act in determining limitations on ownership; and ownership or interest in various parcels of land wherever situated in the state and whether or not contiguous shall be considered in order to arrive at the cumulative land holding amount.

SECTION 5. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) At the time of the initial purchase or transfer of land which will result in a change in ownership or interest in agricultural land or mineral rights, registration and disclosure of the actual ownership or interest shall be made to each county property valuation administrator where the property or portion thereof is located and to the office of the secretary of state. Additionally, where any percentage change in ownership or interest occurs, which does not result in a complete change in ownership title, either to the land or in the stock holdings or other interests of the foreign business, but which will then cause the property in question to qualify under the provisions of this Act, then at that time and in that event, disclosure shall be made to the office of the secretary of state reflecting the change. Disclosure shall be made within ninety (90) days of the original transaction or change in ownership or interest.

(2) If on the effective date of this Act any person shall own land or hold an interest in land who would otherwise qualify under the provisions of this Act to register and disclose the actual ownership had the Act been in effect when the purchase or change in ownership occurred, such person shall have one (1) year from the effective date of this Act to comply with the provisions herein. Notice of the requirement to register and disclose shall accompany the property tax bill for the year in which this Act takes effect and any year thereafter and shall be in a form prescribed by the secretary of state as provided in Section 9 of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) Failure to comply with this Act or knowingly submitting a report which does not contain all the information required or which contains information that is misleading or false shall result in a fine of ten percent (10%) of the market value of the affected interest in the land. The fine shall attach to the land of the alien or foreign business as a lien upon the property. Interest at the current legal rate shall begin to run from the date of noncompliance and shall accumulate until payment or the land is sold to satisfy the lien, whichever occurs first. This shall be a lien upon the fee in such property, and not merely upon the interest of the person to whom such property is or ought to be assessed, but to any and all other interests in the property, whether in reversion or remainder, or of lienors, or of any nature whatever. This lien shall extend to each and every part of all tracts or lots of land, notwithstanding any division or alienation thereof, or advertising the same in the name of persons not actually owners thereof at the time of the sale.

(2) Failure to pay the fine within one (1) year from the date of attachment as a lien to such property shall cause the property to be sold to satisfy the lien. The secretary of state shall notify the attorney general who shall be responsible for the sale of the land to satisfy the lien, together with accumulated interest and reasonable attorney fees.

SECTION 7. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

It shall be the duty of the attorney general to enforce the provisions of this Act as follows:

(1) To investigate any alleged violations as reported by the office of the secretary of state and to investigate any sworn complaint filed in relation to any alleged violations of this Act; and to take appropriate action to provide for the enforcement of the provisions of this Act.

(2) The attorney general may:

(a) Seek injunctions from a circuit court of this state to enforce the provisions of this Act; and

(b) Require any person to answer in writing and under oath or affirmation any question within the knowledge of that person concerning any transaction which qualifies under the provisions of this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

All funds received from a violation pursuant to Section 6 of this Act, shall be paid proportionately to the respective general education funds of the county where the property is located to be used for public education.

SECTION 9. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) The responsibility of preparing the necessary forms and the initial implementation of the procedures under this Act shall be through the office of the secretary of state together with the county property valuation administrators through the department of revenue. The registration and disclosure shall be submitted in the form and in accordance with the procedures the secretary of state may require and shall contain:

(a) The legal name and the address of the alien;

(b) In any case in which the alien is an individual, the citizenship of the alien;

(c) In any case in which the alien is not an individual or a government, the nature of the legal entity holding the interest, the country in which such foreign business is created or organized, and the principal place of business;

(d) The type of interest in agricultural land or mineral rights which the alien acquired or transferred;

(e) The legal description and acreage of the agricultural land or the mineral rights;

(f) The purchase price paid for, or any other consideration given for, such interests;

(g) In any case in which the alien transfers such interest, the legal name and the address of the person to whom the interest is transferred and:

1. In any case in which such transferee is an individual, the citizenship of such transferee; and

2. In any case in which such transferee is not an individual or a government, the nature of the legal entity holding the interest, the country in which such transferee is created or organized, and the principal place of business of such transferee;

(h) The agricultural purposes for which the foreign person intends, on the date on which the report is submitted to the secretary of state, to use the agricultural land; and

(i) Such other information as the secretary of state may require by regulation.

(2) Any person who holds or acquires on or after the effective date of this Act any interest, other than a security interest, in agricultural land or mineral rights at a time when such person is not an alien but who subsequently becomes an alien shall comply with the provisions of this Act for disclosure not later than ninety (90) days after the date on which the person becomes an alien.

(3) With respect to any alien, other than an individual or a government, who is required by other provisions of this Act to register, the secretary of state shall, in addition, require such alien to submit to the secretary of state a report containing:

(a) The legal name and the address of each person who holds any interest in the alien;

(b) In any case in which the holder of such interest is an individual, the citizenship of the holder; or

(c) In any case in which the holder of such interest is not an individual or a government, the nature of the legal entity holding the interest, the country in which the holder is created or organized, and the principal place of business of the holder.

(4) With respect to any person, other than an individual or a government, whose legal name is contained in any registration submitted under subsection (3) of this section, the secretary of state shall require such person to submit a report containing:

(a) The legal name and the address of any person who holds any interest in the person submitting the report under this subsection;

(b) In any case in which the holder of such interest is an individual, the citizenship of the holder; or

(c) In any case in which the holder of such interest is not an individual or a government, the nature of the legal entity holding the interest, the country in which the holder is created or organized, and the principal place of business of the holder.

(5) If the holder is a publicly owned corporation whose stock is listed on a recognized stock exchange in the United States, the disclosure of additional information with respect to its individual shareholders shall not be required.

SECTION 10. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

(1) The office of the secretary of state shall be responsible for ensuring that the enforcement provisions of this Act are complied with.

(2) The secretary of state shall send a semi-annual report to the department of agriculture on the agricultural lands registered to aliens and foreign businesses, and where mineral rights have been so registered to the department for natural resources and environmental protection and the department of mines and minerals.

The Committee on Agriculture reported **HB 382,** and **HB 391** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 382, AN ACT relating to farm trucks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.655 is amended to read as follows:

As used in KRS 138.655 to 138.725 and 138.990 (17) and (18), unless the context requires otherwise:

(1) "Department" means bureau of vehicle regulation;

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause describing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to a corporation the officers thereof;

(3) "Public highway" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel notwithstanding that it may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction; also including all city streets, alleys and any way or place on which a toll is charged for using such way or place;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semitrailer attached to or having its front end supported by such motor vehicle;

(5) "Motor carrier" means every person who operates or causes to be operated on any highway in this state, any bus engaged in hauling passengers for hire operating under a certificate of convenience and necessity and any truck or tractor-trailer combination having a total of three (3) or more axles. The number of axles referred to herein shall include not only those axles on the power unit but if a tractor-trailer combination is involved, also those axles on the trailer or semitrailer;

(a) "Axle" as referred to herein means any two (2) or more load-carrying wheels mounted in a single transverse vertical plane;

(b) "Trailers and semitrailers" are those as defined in subsections (1) and (2) of KRS 186.650, except that it does not include those trailers defined in subsection (3) of KRS 186.650 and those exempted from regulation under KRS 186.675. The term "motor carrier" shall not mean or shall not include any person operating or causing to be operated a city bus except city buses operated across the border of the state of Kentucky;

(c) Motor carriers registered under KRS 186.050(4)(b) used for the sole purpose of hauling farm products for sale or distribution shall be exempted from the provisions of KRS 138.660(4) and 138.665. The motor carrier must be registered by the farm owner and used exclusively for transporting farm products produced on the owner's farm to the marketplace;

(6) "City bus" means any motor vehicle used for the transportation of persons for hire exclusively within the limits of any city or within ten (10) miles of its limits over a regular route and exclusively within the boundaries of this state;

(7) "Heavy equipment motor carrier" means any person who operates on the public highways of this state as a "motor carrier" as defined in subsection (5) of this section, except that it shall not include motor vehicles used to transport persons for hire;

(8) "Trip permit" means a permit for the operating during a ten (10) consecutive day period of any motor vehicle of any "heavy equipment motor carrier" not licensed under KRS 138.665;

(9) "Licensee" means for purposes of KRS 138.655 to 138.725 any person who has been granted a license as a "motor carrier" or a "heavy equipment motor carrier," or any motor vehicle in which a valid trip permit is carried;

(10) "Use" means the consumption of gasoline and special fuels in propelling motor vehicles on the public highways;

(11) "Gasoline" means gasoline as defined in KRS 138.210 (4);

(12) "Special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210 (4);

(13) "Quarterly" for the purposes of KRS 138.655 to 138.725 means a three (3) month period ending June 30 in the year 1956 and each succeeding three (3) month period thereafter.

SECTION 2. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

(1) Any motor carrier granted exemption as provided in KRS 138.655(5)(c) shall be required to file an affidavit and agreement with the Bureau of Vehicle Regulation.

(2) The affidavit and agreement shall include but not be limited to the following:

(a) Owner of the motor carrier;

(b) Description of the motor carrier;

(c) Weight registration of the motor carrier;

(d) Commodities being transported were produced by the owner; and

(e) Motor carrier use shall be limited to transportation of owner farm products;

(3) The cost of filing the affidavit and agreement shall be $100 and copies be obtained from the county clerk and transmitted to the Bureau of Vehicle Regulation and the owner of the motor carrier;

(4) The operator of the motor carrier shall be required to carry a copy of the affidavit and agreement at all time while operating the motor carrier;

(5) Any violation of the affidavit and agreement shall be subject to a penalty of not less than one thousand dollars ($1,000) and not more than five thousand dollars ($5,000).

Section 3. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine passengers, including the operator, shall be eleven dollars and fifty cents ($11.50).

(2) The annual registration fee for each motorcycle shall be five dollars ($5.00), and for each sidecar attachment, three dollars ($3.00).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of six thousand (6,000) pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (13) hereof, shall be eleven dollars and fifty cents ($11.50).

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (13) hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	$24.00
10,001-14,000	30.00
14,001-18,000	50.00
18,001-22,000	132.00

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
22,001-26,000	160.00
26,001-32,000	216.00
32,001-38,000	300.00
38,001-44,000	474.00
44,001-55,000	544.00
55,001-62,000	588.00
62,001-73,280	750.00
73,281-82,000	840.00

(4) (a) Any farmer owning a truck having a gross weight of *thirty-eight thousand (38,000)* [thirty thousand (30,000)] pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of thirty-*eight* thousand *(38,000)* [(30,000)] pounds or less, and that during the next twelve (12) months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of *thirty-eight thousand (38,000)* [thirty thousand (30,000)] pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within five (5) miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.

(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of coal from the point at which such coal is mined to a

railhead or tipple, where such railhead or tipple is located at a point not more than fifty (50) air miles from the point at which such coal is mined, or which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.

(10) Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths (¾) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the department that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the bureau's certification to the department of transportation copy of the certificate of registration and ownership.

(11) Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar ($1.00). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(12) The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars ($20.00) and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(13) The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(14) (a) The bureau of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the department shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar ($1.00). Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction which vehicle is subject to apportioned registration as provided in KRS 186.050(14)(a) may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle. The bureau shall promulgate regulations in accordance with this section.

Section 4. KRS 189.222 is amended to read as follows:

(1) The secretary of transportation in respect to highways which are a part of the state-maintained system, by official order, may increase on designated highways or portions thereof, the maximum height, length and gross weight prescribed in KRS 189.221, if in the opinion of said secretary, the increased heights, length and weight designated by him are justified by the strength, safety and durability of the designated

highways, and said highways do not appear susceptible to unreasonable and unusual damage by reason of such increases and said secretary is authorized to establish reasonable classification of such roads and to fix a different maximum for each classification. Provided, however, that any increase in the height, length or width or any motor truck or tractor semi-trailer combinations or any other vehicle combinations including any part of the body or load or designation of highways to be used by such vehicles, shall not, in any way, exceed the federal law or regulations thereunder or jeopardize the allotment or qualification for federal aid funds of the Commonwealth of Kentucky or exceed the following dimensions and weights:

(a) Height, thirteen and one-half (13 ½) feet;

(b) Length, truck tractors and semi-trailers, fifty-five (55) feet; motor trucks, thirty-five (35) feet;

(c) Length, truck tractor, semi-trailer and trailer, sixty-five (65) feet;

(d) A tolerance of not more than five percent (5%) shall be permitted before a carrier is deemed to have violated (b) of this subsection. In no event shall the maximum length exceed 65 feet;

(e) Weight, twenty thousand (20,000) pounds per single axle, with axles less than 42 inches apart to be considered as a single axle; thirty-four thousand (34,000) pounds on two (2) axles in tandem arrangement which are spaced forty-two (42) inches or more apart and less than ninety-six (96) inches apart; fifty thousand (50,000) pounds on three axles which are spaced forty-two (42) inches or more apart and less than one hundred twenty (120) inches apart. In no event shall any single axle in any arrangement exceed twenty thousand (20,000) pounds or six hundred (600) pounds per inch of the aggregate width of all the tires on a single axle, whichever is less. In no event shall the total gross weight of the vehicle and load exceed eighty-two thousand (82,000) pounds;

(f) A tolerance of not more than five percent (5%) per axle load shall be permitted before a carrier is deemed to have violated paragraph (e) of this subsection. In no event shall the gross weight exceed eighty-two thousand (82,000) pounds;

(g) Truck tractor, semi-trailer and trailer combinations and other vehicle combinations may be operated only on those parts of the state-maintained system which has been designated by the secretary of transportation by official order as safely allowing same.

(2) Vehicles exclusively engaged in the transportation of motor vehicles, unmanufactured tobacco or unmanufactured tobacco products may, on those highways which are a part of the state-maintained system and which have been designated by the secretary of transportation by official order as safely allowing same, attain the following maximum lengths excluding the usual and ordinary bumper overhang [illegible] the transported vehicles;

(a) Truck tractors and semi-trailers, sixty (60) feet;

(b) Motor trucks and trailers, sixty-five (65) feet.

(3) Vehicles engaged exclusively in the transportation of farm products and registered under KRS 186.050(4)(b) shall be excluded from the axle weight provisions and subject only to total gross weight provisions.

(4)[(3)] The secretary of transportation may by order increase the weight and height limits prescribed by this chapter for motor vehicle while being operated exclusively on roads or highways being constructed, reconstructed or repaired under contract with the department of transportation by the contractor or subcontractor, agent or employe thereof.

(5)[(4)] Notwithstanding any other provisions of this chapter, in no event may the secretary of transportation authorize the operation of any motor vehicle or combination of motor vehicles, upon any part of the interstate and national defense highway system, which exceeds the following dimension and weights:

(a) Width, ninety-six (96) inches, including any part of the body or load;

(b) Weight, eighteen thousand (18,000) pounds per single axle, with axles less than forty-two (42) inches apart to be considered as a single axle; thirty-two thousand (32,000) pounds on two (2) axles in tandem arrangement which are spaced 42 inches or more apart and less than ninety-six (96) inches apart; forty-eight thousand (48,000) pounds on three (3) axles which are spaced forty-two (42) inches or more apart and less than one hundred twenty (120) inches apart. In no event shall any single axle in any arrangement exceed eighteen thousand (18,000) pounds or six hundred (600) pounds per inch of the aggregate width of all the tires on a single axle, whichever is less. In no event shall the total gross weight of the vehicle and load exceed seventy-three thousand two hundred eighty (73,280) pounds; provided, however, in the event any federal law or laws or regulations thereunder are hereafter enacted authorizing weights and dimensions in excess of those set out in subsections (a) and (b) of this section, then the secretary of transportation may by official order increase the maximum weights and dimensions but in no event shall said increased weights and dimensions exceed those set out in this section.

HB 391, AN ACT relating to inheritance tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 140.310 is amended to read as follows:

(1) Agricultural or horticultural land may be assessed at its agricultural or horticultural value in a decedent's estate for Kentucky inheritance tax purposes if the agricultural or horticultural land is qualified real estate and is passing to a qualified person or persons.

(2) Agricultural or horticultural land which comprises more than fifty (50) percent of the assets of a corporation, the stock in which is wholly owned by qualified persons, may be assessed at its agricultural or horticultural value in a decedent's estate for Kentucky inheritance tax purposes if the agricultural or horticultural land is qualified real estate and if the stock in said corporation is passing to a qualified person or persons.

Section 2. KRS 140.330 is amended to read as follows:

In the event the qualified real estate is reported for inheritance tax purposes at its agricultural or horticultural value and that real estate has been assessed at its agricultural or horticultural value for ad valorem tax purposes, then that assessment shall be [presumed to be] its [agricultural or horticultural] value for inheritance tax purposes. If, however, the real estate has not been so assessed for ad valorem tax purposes, then the agricultural or horticultural value shall be determined pursuant to KRS Chapter 132 and such regulations as may be promulgated by the department of revenue to determine horticultural or agricultural value for inheritance tax purposes.

Section 3. Acts 1978 Chapter 138, Section 12, is amended to read as follows:

Section 12. Sections 5 through 12 of this Act shall become effective on July 1, 1978 [, and shall expire on June 30, 1980].

The Committee Amendment No. 1 to **HB 391** is as follows:

Amend printed copy of **HB 391,** page 2, line 15, by striking the "["

and on page 2, line 16, by striking the "]"

and on page 2, line 16, by striking "1980" and inserting in lieu thereof "1982"

The Committee on Business Organizations and Professions reported **SB 43** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 43, AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 244.120 is amended to read as follows:

(1) No person licensed to sell alcoholic beverages at retail shall cause, suffer, or permit the licensed premises to be disorderly.

(2) Acts which constitute disorderly premises consist of permitting patrons to cause public inconvenience, annoyance or alarm, or wantonly creating a risk through:

(a) Engaging in fighting or in violent, tumultuous or threatening behavior; or

(b) Making unreasonable noise; or

(c) Refusing to obey an official order to disperse issued to maintain public safety in dangerous proximity to a fire, hazard or other emergency; or

(d) Creating a hazardous or physically offensive condition by any act that serves no legitimate purpose.

(3) Neither this section nor any other section shall, however, be construed to prohibit dance contests for which prizes are awarded; provided that such contests are conducted in an orderly manner, and are limited to participants age 21 or older.

The Committee on Cities reported **HB 190,** with Committee Amendment attached thereto, and **HB 282,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 190, AN ACT relating to cities of the first class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 83 IS CREATED TO READ AS FOLLOWS:

(1) If the board of alderman of any city of the first class begins any investigation of the mayor of such city or a head of a department of such city, for the purpose of preferring impeachment charges against that official pursuant to KRS 83.660, the board shall have the power to subpoena the attendance of that official and the production of papers, books, records, accounts, documents, and testimony under oath of that official.

(2) The board shall implement the provisions of this section by ordinance, providing the officials subject to the subpoena power, and the procedure for issuance of the subpoenas, the procedure for receiving testimony and documentary evidence, and the procedure for enforcement of this section.

(3) The board shall initiate its subpoena power over an official or his papers, books, records, accounts, and documents by declaring in a formal resolution the official or records being subpoenaed and the purpose for the subpoena.

(4) If the official should fail to appear or to produce the papers, books, records, accounts, documents, or testimony, the board may report the failure to the circuit court and apply for a rule. The circuit court may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from that court.

(5) The ordinance enacted as described in subsection (2) of this section shall not be effective beyond sixty (60) days from the date of the enactment. If during that sixty (60) day period, the board prefers impeachment charges against an official, the subpoena power over that official and his records shall extend through the impeachment proceedings.

(6) The board shall not have authority to reimplement the provisions of this section as described in subsection (2) of this section subjecting the same officials or records to the boards subpoena power until twelve (12) months after the date of the original enactment.

Section 2. KRS 83.660 is amended to read as follows:

(1) Unless otherwise provided by law, executive and ministerial officers of the city may be removed by the board of aldermen, sitting as a court, under oath, upon charges *of impeachment* preferred by the mayor or by any two members of the board of aldermen, or, in case of charges *of impeachment* against the mayor, upon charges *of impeachment* preferred by not less than five members of the board of aldermen. No alderman preferring a charge *of impeachment* shall sit as a member of the board of aldermen when it tries that charge.

(2) Any person removed from office under the provisions of this section may appeal to the circuit court and from there to the Court of Appeals. The appeal to the circuit court shall be taken and tried in the same manner as civil cases are tried.

The Committee Amendment No. 1 to **HB 190** is as follows:

Amend printed copy of **HB 190,** page 1, line 18, delete the word "his" and insert in lieu thereof th word "the".

And on page 1, line 19, insert after the word "documents" the phrase "relating to the office"

HB 282, AN ACT relating to tourist and convention commissions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 83.345 is amended to read as follows:

(1) The commission established pursuant to subsection (2) of KRS 83.340 shall be composed of seven (7) members to be appointed by the mayor of the largest city in the county and the county judge/executive, jointly, in the following manner:

(a) Two (2) commissioners from a list submitted by the local city hotel and motel association.

(b) One (1) commissioner from a list submitted by the local county hotel and motel association, provided that if only one (1) local hotel and motel association exists which covers both the city and county, then three (3) commissioners shall be appointed from a list submitted by it.

(c) One (1) commissioner from a list submitted by the local restaurant association or associations.

(d) One (1) commissioner from a list submitted by the chamber of commerce of the largest city in the county.

(e) One (1) commissioner by the mayor of the largest city in the county.

(f) One (1) commissioner by the county judge/executive.

(2) Vacancies shall be filled in the same manner that original appointments are made.

(3) The commissioners shall be appointed for terms of three (3) years, provided, that in making the initial appointments, the mayor and county judge/executive shall appoint two (2) commissioners for a term of three (3) years, two (2) commissioners for a term of *two (2)* [four (4)] years and three (3) commissioners for a term of one (1) year. *If the commission has been established on the effective date of this Act and members have been appointed, appointments initially made for four (4) year terms shall, at the expiration of those terms, once again be made for four (4) year terms. Subsequent appointments shall be for three (3) year terms.*

(4) The commission shall elect from its membership a chairman and a treasurer, and may employ such personnel and make such contracts as are necessary to effectively carry out the purpose of KRS 83.340 to 83.350. Such contracts may include but shall not be limited to the procurement of promotional services, advertising services and other services and materials relating to the promotion of tourist and convention business; Provided, contracts of the type enumerated shall be made only with persons, organizations, and firms with experience and qualifications for providing promotional services and materials such as advertising firms, chambers of commerce, publishers and printers.

(5) The books of the commission shall be audited by an independent auditor who shall make a report to the commission, to the organizations submitting names from which commission members are selected, and to the mayor and the county judge/executive.

The Committee Amendment No. 1 to **HB 282** is as follows:

Amend printed copy of **HB 282,** page 2, line 16, after the period and before the word "*Subsequent*" insert the words: "*Those appointments may or may not be made to the same individuals as originally appointed.*"

The Committee on State Government reported **HB 63**, **HB 287, HCR 19, HR 25,** and **HR 38** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 63, AN ACT relating to the national guard.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 38 IS CREATED TO READ AS FOLLOWS:

Any member of the national guard who is ordered to perform active duty or training in the service of the state shall be granted a leave of absence by his employer. Upon any member's release from a period of active duty or training, he shall be permitted to return to his employment with such seniority, status, rate of pay or any other benefits or rights of entitlement that he would have had if he had not been absent for such purposes.

HB 287, AN ACT relating to compensation for officers and employes of Kentucky Educational Television.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.640 is amended to read as follows:

(1) Except as otherwise provided in subsection (2) of this section, and excepting officers elected by popular vote, employes of the general assembly, including employes of the legislative research commission, members of boards and commissions, *those officers and employes of Kentucky Educational Television exempt from classified service as provided in KRS 18.140,* and presidents and employes of the state universities and the state colleges, the department of personnel shall prepare a schedule of compensation, payable out of the state treasury, with a minimum and maximum salary rate, and such intermediate salary rates as are deemed necessary or advisable, for the office or position of employment of every state officer and employe, including specifically the offices and positions of employment in every constitutional administrative department, statutory administrative department, independent agency, or other unit of state government. Such schedules shall be based upon studies of the duties and responsibilities of the offices and positions and upon a comparison with rates being paid for similar or comparable services elsewhere, and in the preparation of

such schedules, the department of personnel shall ascertain and record the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and classify such positions in the manner provided in KRS 18.190 to 18.230. No such schedule shall become effective until it has been approved by the governor.

(2) The governor shall set the compensation payable out of the state treasury to each officer or position in the state service, which officer or position heads a statutory administrative department, independent agency, or other unit of state government except for those excluded under subsection (1). Such compensation shall be based upon studies of the duties and responsibilities and classification of the positions by the governor and upon a comparison with compensation being paid for similar or comparable services elsewhere, provided, however, such compensation shall not exceed the amount provided for compensation to the governor in KRS 64.480, the provisions of KRS 64.660 to the contrary notwithstanding.

(3) The compensation payable out of the state treasury to officers and employes subordinate to any office or position covered by subsection (2) of this section shall not exceed the maximum rate established pursuant to subsection (2) of this section for such office or position, except with respect to physicians as provided in KRS 64.655 and employes of the energy regulatory commission and utility regulatory commission of Kentucky whose compensation shall be fixed, within constitutional limits, by the department of personnel with the approval of the governor as provided in subsection (1) of this section.

(4) Nothing in this section shall preclude the allowance of maintenance to officers and employes of the state.

Section 2. KRS 168.080 is amended to read as follows:

Subject only to availability of funds from any source, the authority may employ and prescribe the qualifications and duties of such persons as it may deem necessary to the proper performance of its purposes and functions; including an executive director to serve as the principal executive of the authority, and a chief engineer to supervise its engineering staff. Compensation shall be such as may be fixed in accordance with the standards established by the state commissioner of personnel, *except that the compensation for those officers and employes exempt from classified services as provided in KRS 18.140 shall be determined by the authority not to exceed the amount paid to the highest paid commissioner of any other state agency.*

Section 3. KRS 18.140 is amended to read as follows:

(1) The classified service to which KRS 18.110 to 18.360 shall apply shall comprise all positions in the state service now existing or hereafter established, except the following:

(a) The general assembly and employes of the general assembly including the employes of the legislative research commission;

(b) Officers elected by popular vote and persons appointed to fill vacancies in elective offices;

(c) Members of boards and commissions;

(d) Officers and employes on the staff of the governor, the lieutenant governor, the office of the secretary of the governor's cabinet, and the office of program administration;

(e) Cabinet secretaries, department heads, bureau commissioners and the administrative heads of all boards and commissions, *including the executive director of Kentucky Educational Television*;

(f) One (1) principal assistant or deputy for each person exempted under subsection (1)(e) of this section;

(g) One (1) additional principal assistant or deputy as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size or complexity of the unit involved are such that the commissioner of personnel approves such an addition on petition of the relevant cabinet secretary or department head and such other principal assistants, deputies, or other major assistants as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size or complexity of the unit involved are such that the personnel board may approve such an addition or additions on petition of the department head approved by the commissioner of personnel;

(h) Division directors subject to the provisions of KRS 18.150;

(i) Physicians employed as such;

(j) One (1) private secretary for each person exempted under subsections (1)(e), (1)(f) and (1)(g) of this section;

(k) The judicial department, referees, receivers, jurors, and notaries public;

(l) Officers and members of the staffs of state universities and colleges and student employes of such institutions; and officers, teachers, and employes of local boards of education;

(m) Patients or inmates employed in state institutions;

(n) Persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the general assembly, or a committee thereof, or by authority of the governor, and persons employed by state agencies for a specified, limited period to provide professional, technical, scientific, or artistic services who are retained pursuant to application procedures, lists of eligibles, and classification and compensation systems developed by the commissioner of personnel and approved by the professional employment commission under the provisions of KRS 45.535;

(o) Seasonal, temporary, and emergency employes;

(p) Federally funded time-limited employes;

(q) Officers and members of the state militia;

(r) Peace officers in the department of justice;

(s) University or college engineering students or other students employed part-time or part-year by the state through special personnel recruitment programs; provided that while so employed such aides shall be under contract to work full-time for the state after graduation for a period of time approved by the commissioner or shall be participants in a cooperative education program approved by the commissioner;

(t) Superintendents of state mental institutions, including heads of mental retardation centers, and penal and correctional institutions as referred to in KRS 196.180(2);

(u) Staff members of the Kentucky Historical Society, if they are hired in accordance with KRS 171.311;

(v) County and commonwealth's attorneys and their respective appointees.

(2) Nothing in KRS 18.110 to 18.360 is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and KRS 150.061.

(3) Nothing herein is intended or shall be construed to affect any nonmanagement, nonpolicy-making position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.

(4) Classified employes with status promoted to positions exempted from classified service may, upon termination of their employment in the exempted service, revert to their classified status, but not necessarily to a particular position in the classified service.

(5) Nothing herein shall be construed as precluding appointing officers from filling nonclassified positions in the manner in which positions in the classified service are filled except as otherwise provided herein.

HCR 19, A CONCURRENT RESOLUTION recognizing November, 1980, as National REACT Month in Kentucky.

WHEREAS, Radio Emergency Associated Citizens Teams - REACT - is composed of 2,000 teams with 50,000 members nationwide; and

WHEREAS, these persons provide a valuable public service in establishing an emergency communications network via citizens band (CB) radios; and

WHEREAS, these dedicated volunteers will devote over 50-million man-hours of their time during 1980, thereby providing a necessary link from the highway to lifesaving agencies;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That November, 1980, be and it is hereby recognized as National REACT (Radio Emergency Associated Citizens Teams) Month in Kentucky.

HR 25, A RESOLUTION honoring Kentucky State Police Trooper Eddie Harris, of Elizabethtown, who was killed in the line of duty on November 7, 1979, in Larue County.

WHEREAS, Kentucky State Police Trooper Eddie Harris was killed in the line of duty, November 7, 1979, in Larue County, after he had stopped a speeding motorist on U.S. Highway 31-E near Hodgenville; and

WHEREAS, Trooper Harris was a veteran of the Kentucky State Police of seven years; and

WHEREAS, Trooper Harris had served the citizens of the Commonwealth with honor and distinction; and

WHEREAS, Trooper Harris was one of the young, earnest and dedicated members of the Kentucky State Police force, who risk their lives daily for the protection of the citizens of the Commonwealth of Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives honor Trooper Eddie Harris for his dedication in serving the people of the Commonwealth of Kentucky for whom he gave his life in the line of duty.

Section 2. That the Clerk of the House of Representatives be directed to send a copy of this resolution to his widow and his parents.

HR 38, A RESOLUTION to support President Jimmy Carter in dealing with the numerous international conflicts presently confronting the United States.

WHEREAS, the rights of United States citizens, as well as all international laws with regard to diplomatic relations, have been blatantly violated by the Iranian seizure of the American Embassy in Tehran and the subsequent holding of hostages; and

WHEREAS, hostile attacks upon the United States Embassy in Pakistan and other countries around the world have become a popular means for militants to express internal discontent; and

WHEREAS, the appearance of Soviet troops in Cuba represents an immediate threat to the United States; and

WHEREAS, there exists a growing concern over the rumors of Americans being held against their will in Cuba; and

WHEREAS, the Soviet Union's invasion of Afganistan could serve as the catalyst to ignite an already unstable area of the world;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body extends to President Carter its support during this difficult world-wide battle against dictatorial aggression.

Section 2. That the House of Representatives supports President Carter in any action he may deem necessary to protect American interests, whether the action involves instituting economic sanctions against Iran; a naval blockade of the Persian Gulf; urging U.S. athletes to boycott the summer Olympics in Moscow; instituting an embargo on grain, as well as, various industrial and technological products to the Soviet Union; or supplying economic and military support to Pakistan.

Section 3. That the Clerk of the House be directed to forward a copy of this resolution to the Office of the President of the United States, the Clerk of the United States Senate, and the Clerk of the United States House of Representatives.

Calendar

HB 41, HB 278, HB 32, HB 118, HB 24, HB 204, HB 207, HB 258, HB 303, HB 329, HB 341, HB 26, HB 27, HB 140, HB 125, HB 155, HB 293, and **HB 105** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 70, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Amendment No. 1 to **HB 70.** Agreed.

Representative Clarke moved that **HB 70,** as amended, be passed.

On the roll call the vote was yeas 98-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 70, as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 70,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 38, with Committee substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Romines moved the adoption of the Committee Substitute to **HB 38.** Agreed.

Representative Romines moved that **HB 38,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 95-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Hancock.

HB 38, by way of Committee Substitute, was passed and the title agreed to.

Representative Romines moved that the vote by which **HB 38,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 88, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Amendment No. 1 to **HB 88.** Agreed.

Representative LeMaster moved that **HB 88,** as amended, be passed.

On the roll call the vote was yeas 88-Allen, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worhtington, Wright, Yates. Nays 8-Adams, Barrows, Cawood, Clapp, Dawahare, Overstreet, B. Richardson, Wilborn.

HB 88, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 88,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 146, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Craddock moved the adoption of the Second Committee Substitute to **HB 146.** Agreed.

Representative Craddock moved that **HB 146,** by way of Second Committee Substitute, be passed.

On the roll call the vote was yeas 85-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 7-Allen, Blair, Burnette, Layman, Tobin, Wright, Riner.

HB 146, by way of Second Committee Substitute, was passed and the title agreed to.

Representative Craddock moved that the vote by which **HB 146,** by way of Second Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 161 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 161** be passed.

On the roll call the vote was yeas 68-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Burch, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Deskins, Donnermeyer, Dunn, Foster, Guenthner, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Williams, Worthington. Nays 25-Allen, Blair, Bronger, Bruce, Burnette, Caldwell, Dawahare, DeFalaise, DeMarcus, Fryman, Gray, Haering, Layman, Lewis, McKinney, McNutt, Patrick, Pearman, Rattliff, Riner, Robinson, Tobin, Turner, Wright, Yates.

HB 161 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 161** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 211, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Tobin moved the adoption of the Committee Amendment No. 1 to **HB 211.** Agreed.

Representative Tobin moved that **HB 211,** as amended, be passed.

On the roll call the vote was yeas 77-Allen, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McKinney, McNutt, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Priddy, Rapier, Reynolds, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Weinberg, White, Wilborn, Wright, Yates. Nays 12-Adams, Blair, Clapp, DeMarcus, Dunn, Foster, McBee, Richards, B. Richardson, Riner, Thomas, Van Horn.

HB 211, as amended, was passed and the title agreed to.

Representative Tobin moved that the vote by which **HB 211,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of **HB 259** be deferred and that it retain its position in Orders of the Day. Agreed.

Motions, Petitions, and Communications.

Representative Blair moved that he be recorded as voting "yea" on **HB 88.** Agreed.

Representative B. Richardson moved that **HB 214** be taken from the table and placed in Orders of the Day.

On the roll call the vote was yeas 70-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McNutt, Moberly, Morris, Nett, Noe, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomas, Turner, Van Horn, Weinberg, White, Williams, Worthington, Yates. Nays 0.

The motion that **HB 214** be taken from the table and placed in Orders of the Day was adopted.

Speaker Pro Tempore Hancock presiding.

Representative Bronger filed the following Floor Amendment No. 1 to **HB 41:**

Amend printed copy of **HB 41,** page 1, lines 9 and 10, delete the words "or undamaged personal property"

Representative Wilborn filed the following Floor Amendment No. 2 to the Committee Substitute to **HB 123:**

Amend printed copy of Committee Substitute for **HB 123,** page 5, lines 18 through 21, by deleting the entire sentence beginning "*if the subcommittee...*" on line 18 and ending "*...accept the regulation*" on line 21, and by inserting the following after the word "promulgated" on line 18:

"*, provided however that the chairman or a majority of the members of the interim committee with appropriate jurisdiction as determined by the rules of the house and senate in effect during the most recent session of the general assembly, may direct that upon receipt by the administrative regulation review subcommittee of any specific proposed administrative regulation, the chairman of the administrative regulation review subcommittee transmit the regulation to said appropriate committee chairman any regulation so transmitted shall thereafter be reviewed by the interim committee with appropriate jurisdiction as provided in subsection (7) of this section. If the subcommittee finds that a regulation which has not been transferred to the interim committee with appropriate jurisdiction conforms to such statutory authority and carries out such legislative intent, the subcommittee shall accept the regulation*"

and on page 7, line 14, by inserting "*(4) or*" after "*subsection*";

and on page 7, line 15, by inserting "*to determine*" and a bracket, "[", before "in" and

on page 7, line 17, by deleting "*its*" and the brackets around "their" and by inserting a bracket, "]", after the word "determining"

Representative Pearman filed the following Floor Amendment No. 1 to **HB 414:**

Amend printed copy of **HB 414,** page 7, line 9, by deleting the words "or having a capacity of fifty (50) persons";

and on page 7, line 10, by deleting the words "or more";

and on page 7, by deleting lines 24, 25, and 26 in their entirety;

and on page 8, by deleting lines 1, 2, 3, and 4 in their entirety;

and on page 8, line 5, by deleting (4) and inserting in lieu thereof (3).

Representative Pearman filed the following Floor Amendment No. 1 to **HB 193:**

Amend printed copy of **HB 193,** page 1, lines 5 and 6 to read as follows: [the] gross income [of persons fifty (50) years of age or older]. [, and] Federal *civil service* retirement annuities

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 492, by Representatives Turner, Holbrook, Curd, Haering, Freibert, Bennett, Allen, Holloway, Foster, and Moberly: AN ACT relating to income taxation.

Posting of Bills and Resolutions (continued)

The clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Education: **HB 230.**
Natural Resources and Environment: **HB 256, HB 261.**

Banking and Insurance: **HB 402, SB 40, SB 46.**

State Government: **HB 462, HB 463, HB 464, HB 119, HR 44.**

Report of Committees

The Committee on Appropriations and Revenue reported **HB 71** with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee on Appropriations and Revenue reported **HB 205, HB 208,** and **HB 210** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 205, AN ACT relating to taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.470 is amended to read as follows:

There is expressly exempted from the tax imposed by KRS 138.460:

(1) Motor vehicles sold to the United States, or to the Commonwealth of Kentucky or any of its political subdivisions;

(2) Motor vehicles sold to institutions of purely public charity and institutions of education not used or employed for gain by any person or corporation;

(3) Motor vehicles which have been previously registered and titled in any state or by the federal government when being sold or transferred to licensed motor vehicle dealers for resale. Such motor vehicles shall not be leased, rented or loaned to any person and must be held for resale only;

(4) Motor vehicles sold by or transferred from dealers registered and licensed in compliance with the provisions of KRS 186.070 and KRS 190.010 to 190.080 to nonresident members of the armed forces on duty in this Commonwealth under orders from the United States government;

(5) Commercial motor vehicles, excluding passenger vehicles having a seating capacity for nine persons or less, owned by nonresident owners and used primarily in interstate commerce and based in a state other than Kentucky which are required to be registered in Kentucky by reason of operational requirements or fleet proration agreements and are registered pursuant to KRS 186.145;

(6) Motor vehicles previously registered in Kentucky, transferred between husband and wife or parent and child;

(7) Motor vehicles transferred when a business changes its name and no other transaction has taken place or an individual changes his or her name;

(8) Motor vehicles transferred to a corporation from a proprietorship, *or from a corporation to a proprietorship, within six (6) months from the time that* [when] the business is incorporated *or dissolved*;

(9) Motor vehicles transferred by will, court order, or under the statutes covering descent and distribution of property;

(10) Motor vehicles transferred between a subsidiary corporation and its parent corporation when there is no consideration, or nominal consideration, or in sole consideration of the cancellation or surrender of stock;

(11) The interest of a partner in a motor vehicle when other interests are transferred to him;

(12) Motor vehicles repossessed by a secured party who has filed a financing statement as required by KRS 186.045(2) and a repossession affidavit as required by KRS 186.045(6). The repossessor must hold the vehicle for resale only and not for personal use unless he has previously paid the motor vehicle usage tax on said vehicle;

(13) Motor vehicles transferred to an insurance company to settle a claim. Such vehicles shall be junked or held for resale only.

HB 208, AN ACT relating to taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 142.010 is amended to read as follows:

(1) The following taxes shall be paid:

(a) A tax of three dollars and fifty cents ($3.50) on each marriage license;

(b) A tax of one dollar ($1) on each power of attorney to convey real or personal property; on each mortgage, financing statement, security agreement or conveyance of real or personal property, and on each lien or conveyance of coal, oil, gas or other mineral right or privilege[; except that no tax shall be paid on any chattel mortgage, financing statement or security agreement unless the amount thereof exceeds two hundred dollars ($200)].

(2) The tax imposed by this section shall be collected by each county clerk as a prerequisite to the filing of an instrument subject to the tax or the issuance of a marriage license. This section shall not be construed to require any tax upon a deed of release of a lien retained in a deed or mortgage.

(3) Taxes imposed under this section and vehicle lienholder penalties imposed by KRS 186.045(3) shall be reported and paid to the department of revenue by each county clerk within ten (10) days following the end of the calendar month in which instruments subject to tax are filed or marriage licenses issued. Each remittance shall be accompanied by a summary report on a form prescribed by the department.

(4) Any county clerk liable for the taxes imposed by this section who fails to file a report and pay the tax to the department on or before the due date shall, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, pay a penalty equal to ten percent (10%) of the tax due. In every case, any tax not paid on or before the due date shall bear interest at the rate of eight percent (8%) per annum from the date due until the date of payment.

HB 210, AN ACT relating to school taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.613 is amended to read as follows:

(1) There is hereby authorized a utility gross receipts license tax for schools *not to exceed* [of] three per cent (3%) of the gross receipts derived from the furnishing, within the county, of telephonic and telegraphic communications services, electric power, water, and natural, artificial, and mixed gas. "Gross receipts" includes all amounts received in money, credits, property, or other money's worth in any form, as consideration for the furnishing of the above utilities, except that "gross receipts" shall not include amounts received for furnishing energy or energy-producing fuels, used in the course of manufacturing, processing, mining, or refining to the extent that the cost of the energy or energy-producing fuels used exceeds three per cent (3%) of the cost of production, and shall not include amounts received for furnishing any of the above utilities which are to be resold.

(2) In the event that any user of electrical energy purchases the electrical energy directly from any supplier who is exempt either by state or federal law from the utility gross receipts license tax under the provisions of subsection (1) of this section, then the consumer, if such tax has been levied in his district, shall be liable for the tax and shall pay directly to the county finance officer a utility gross receipts license tax for schools of three per cent (3%) of the gross cost of all electrical energy received in accordance with the provisions of KRS 160.615.

(3) Gross cost shall be construed in such a way that the consumer shall pay taxes on the same base as that on which a seller who comes within the provisions of subsection (1) of this section is paying.

Section 2. KRS 160.635 is amended to read as follows:

School taxes imposed under the provisions of KRS 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 shall remain in full force and effect from year to year until the board of education reduces the rate in effect*; however, at the time the tax is first levied the board may set a date on which the tax shall expire.*

The Committee Amendment No. 1 to **HB 210** is as follows:

Amend printed copy of **HB 210,** page 2, lines 6 through 9, by deleting lines 6 through 9 in their entirety and inserting in lieu of the following:

"county finance officer, *in accordance with the provisions of KRS 160.615,* a utility gross receipts license tax for schools *computed by multiplying the gross cost of all electrical energy received by the tax rate levied under the provisions of this section* [of three percent (3%) of the gross cost of all electrical energy received in accordance with the provisions of KRS 160.615].";

following line 21, by inserting the following:

Section 3. Whereas, school districts desiring to avail themselves of the provisions of this Act should be allowed to do so at the earliest possible date, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee on Business Organizations and Professions reported **HB 332** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 332, AN ACT relating to barbers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 317.450 is amended to read as follows:

(1) The barber board shall issue a license to practice barbering to any person who:

(a) Is at least eighteen (18) years of age;

(b) Is of good moral character and temperate habit;

(c) Has acted as a licensed apprentice for at least eighteen (18) months under the immediate supervision of a licensed barber;

(d) Has satisfactorily passed the examination prescribed by the barber board;

(e) Has paid a fee of $20.00.

(2) The barber board shall issue a license to act as apprentice to a barber to any person who:

(a) Is at least sixteen and one-half (16 ½) years of age;

(b) Is of good moral character and temperate habit;

(c) Has at least four (4) years of high school education;

(d) Has graduated from an accredited or licensed school of barbering;

(e) Has satisfactorily passed the examination prescribed by the barber board; and

(f) Has paid a fee of $20.00.

(3) The barber board shall issue a license to operate a barber shop to any barber licensed under the provisions of this chapter upon application of such barber accompanied by a fee of twenty dollars ($20.00) provided that the barber board shall refuse to issue such a license upon a failure to comply with the provisions of this chapter or the rules and regulations of the board adopted pursuant thereto.

(4) The barber board shall issue a license to operate a school of barbering to any person, firm or corporation who or which:

(a) Applies therefor upon forms furnished by the board;

(b) Has the equipment and facilities which may be required by rules and regulations of the board adopted pursuant to this chapter;

(c) Furnished any evidence deemed necessary by the board in the exercise of a sound discretion that it is the purpose of the applicant to establish a bona fide school for the education and training of competent barbers and can and will employ a sufficient number of licensed teachers of barbering to conduct such school;

(d) Pays a fee of $100.

(5) The barber board shall issue a license to teach barbering to any person who:

(a) Is of good moral character and temperate habit;

(b) Has a high school education [and at least two (2) years of college];

(c) Has been a licensed and practicing barber for at least thirty-six (36) months;

(d) Has satisfactorily passed the examination prescribed by the board; and

(e) Has paid a fee of $25.00.

(6) Applications for examination required in this section shall be accompanied by an examining fee as follows:

(a) Barber — $20.00;

(b) Apprentice to a barber — $20.00;

(c) Teaching barbering — $25.00.

(7) Licenses issued pursuant to this section shall expire on the first day of July next following the date of their issuance but the board shall renew any license so expiring at no increased renewal fee if the required annual renewal license fee is paid within thirty-one (31) days after the expiration of such license, provided that the applicant for a renewal is otherwise in compliance with this chapter and the rules and regulations of the board adopted pursuant thereto. Any license shall automatically be renewed by the board upon receipt of the required annual license fee prior to the expiration date of such license, provided the applicant for renewal is in compliance with the provisions of this chapter and the rules and regulations of the board adopted pursuant thereto.

(8) The annual renewal license fee for each type of license renewal shall be as follows:

(a) Barber — $20.00;

(b) Apprentice to barber — $20.00;

(c) Teacher of barbering — $20.00;

(d) Barber shop — $20.00;

(e) Barber school — $75.00.

(9) Except as provided in subsection (7) of this section, the fee for the renewal of an expired license, where the period of expiration does not exceed five (5) years, shall be as follows:

(a) Barber — $15.00 plus lapse fees;

(b) Apprentice — $15.00 plus lapse fees;

(c) Barber shop — $20.00;

(d) Barber school — $75.00;

(e) Teacher of barbering — $15.00 plus lapse fees.

Section 2. KRS 317.540 is amended to read as follows:

No license shall be renewed or issued by the barber board to any barber school, unless such school provides:

(1) As a prerequisite of graduation from a barber school a prescribed course of instruction of not less than fifteen hundred (1,500) hours shall be given within *a reasonable* [an uninterrupted] period with not more than eight (8) hours nor less than four (4) hours of instruction a day, exclusive of Sundays;

(2) Courses of instruction in histology of the hair, skin, nails, muscles and nerves of the face and neck; elementary chemistry with emphasis on sterilization and antiseptics; disease of the skin, hair and glands; massaging and manipulating of the muscles of the upper body; cutting, shaving, arranging, dressing, coloring, bleaching and tinting the hair and such other courses as may be prescribed by regulation of the board;

(3) Such facilities, equipment, materials, and qualified teachers and apprentice teachers as may be required by rules and regulations of the board adopted pursuant to this chapter, but in no event shall any school have fewer than one (1) licensed teacher per fifteen (15) students, or more than two (2) students per chair.

Announcements

The following announcements were made:

Appropriations and Revenue Subcommittee on Transportation: Cancelled for today.

Freshman Caucus: Friday, 9:00 a.m., Room 327.

Committee on Rules: On adjournment

Committee Chairmen: Immediately after Committee on Rules meeting.

Transportation: Special meeting, Friday, 9:00 a.m., Room A.

Representative Clarke announced budget hearings next week to deal with the following subjects:

Monday - Education

Tuesday - Environmental Protection

Wednesday - Higher Education

Thursday - Judiciary

Friday - Energy

The times for these meetings will be announced later.

Adjournment

Representative B. Richardson moved that the House adjourn until 10:00 a.m., Friday, February 8, 1980.

On the roll call the vote was yeas 68-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Jones, Kidd, List, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Turner, Van Horn, Weinberg, Wilborn, Williams, Yates. Nays 6-Deskins, Layman, Overstreet, Robinson, Romines, Wright.

The motion to adjourn was adopted.

FRIDAY, FEBRUARY 8, 1980

TWENTY-FIRST LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Father James Gerrety, Church of the Good Shepherd, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Blythe.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 7, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 493, by Representative DeMarcus: AN ACT relating to prayer in the schools.

HB 494, by Representatives Sale and Davenport: AN ACT relating to property taxes.

HB 495, by Representatives Deskins, Blythe, and Overstreet: AN ACT relating to the Legislative Research Commission.

HR 52, by Representative Stumbo: A RESOLUTION requesting the Department of Transportation to study railroad grade crossings in Kentucky.

Senate Message

Announcing passage of **SB 41, HB 94,** and **HB 98** with Senate Amendment.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 492.**

Banking and Insurance: **HB 485, HB 491.**

Cities: **HB 487.**

Counties and Special Districts: **HB 488.**

Elections and Constitutional Amendments: **HR 51.**

Energy: **HB 490.**

Judiciary: **HB 486, HB 489.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Labor and Industry: **HB 337, HB 121, HB 334.**

Counties and Special Districts: **HB 277, SB 62, SB 63.**

Report of Committees

The Committee on Rules reported **HB 24, HB 26, HB 27, HB 41, HB 130, HB 206, HB 207, HB 258, HB 303, HB 341,** and **HJR 15** have been posted for passage in Orders of the Day on February 11, 1980.

The Committee on Transportation reported **HB 226** and **HB 346** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 226, AN ACT relating to recyclers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.905 is amended to read as follows:

As used in KRS 177.905 to 177.950, unless the context otherwise requires:

(1) "Road" means any county, state, federal or limited access highway or turnpike, including bridges and bridge approaches.

(2) "Automobile, vehicle or machinery recyclers" means any place where *ten (10)* [five (5)] or more junked, wrecked or non-operative automobiles, vehicles, machines and other similar scrap or salvage materials are deposited, parked, placed or otherwise located.

(3) "Material recyclers" shall mean any establishment or place of business, including garbage dumps and sanitary fills, maintained, operated, or used for storing, keeping, buying or selling of old or scrap copper, brass, rope, rags, batteries, paper, trash, rubber debris, waste, or motor vehicle parts, iron, steel, and other old or scrap ferrous or nonferrous material.

(4) "Operator or operators" means a person, firm or corporation operating an automobile, vehicle, machinery or material recycling establishment or place of business or the allowing of such automobile, vehicle, machinery or material recycling establishment or place of business to be placed or deposited, or to remain on premises owned or controlled by such person, firm or corporation.

(5) "Person" means any individual, firm, agency, company, association, partnership, business trust, joint stock company, body politic or corporation.

(6) "Bureau" means the bureau of highways.

(7) "Commissioner" means the commissioner of the bureau of highways.

HB 346, AN ACT relating to recyclers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.905 is amended to read as follows:

As used in KRS 177.905 to 177.950, unless the context otherwise requires:

(1) "Road" means any county, state, federal or limited access highway or turnpike, including bridges and bridge approaches.

(2) "Automobile, vehicle or machinery recyclers" means any place where five (5) or more junked, wrecked or non-operative automobiles, vehicles, machines and other similar scrap or salvage materials, *excluding inoperative farm equipment,* are deposited, parked, placed or otherwise located.

(3) "Material recyclers" shall mean any establishment or place of business, including garbage dumps and sanitary fills, maintained, operated, or used for storing, keeping, buying or selling of old or scrap copper, brass, rope, rags, batteries, paper, trash, rubber debris, waste, or motor vehicle parts, iron, steel, and other old or scrap ferrous or nonferrous material.

(4) "Operator or operators" means a person, firm or corporation operating an automobile, vehicle, machinery or material recycling establishment or place of business or the allowing of such automobile, vehicle, machinery or material recycling establishment or place of business to be placed or deposited, or to remain on premises owned or controlled by such person, firm or corporation.

(5) "Person" means any individual, firm, agency, company, association, partnership, business trust, joint stock company, body politic or corporation.

(6) "Bureau" means the bureau of highways.

(7) "Commissioner" means the commissioner of the bureau of highways.

Calendar

HB 382, HB 391, SB 43, HB 190, HB 282, HB 63, HB 287, HR 19, HR 25, HR 38, HB 205, HB 208, HB 210, and **HB 332** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 10, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved the adoption of the Committee Amendment No. 1 to **HB 10.** Agreed.

Representative Johnson moved the adoption of the Committee Amendment No. 2 to **HB 10.** Agreed.

Representative Johnson moved that **HB 10,** as amended, be passed.

On the roll call the vote was yeas 81-Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Nett, Noe, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, Wilborn, Worthington, Wright, Yates. Nays 11-Adams, Allen, Craddock, Crupper, Foster, Layman, LeMaster, Pearman, P. Richardson, Turner, White.

HB 10, as amended, was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 10,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 12 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lundergan moved the adoption of **HR 12.**

On the roll call the vote was yeas 95-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 0.

HR 12 was adopted and the title agreed to.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred. Agreed.

Speaker Pro Tempore Hancock presiding.

Motions, Petitions, and Communications

Representative O'Brien moved that the rules be suspended for the purpose of waiving the three-day posting period in regard to **HR 44.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Farrow, **HB 489;** Representative McBee, **HB 326;** Representative Noe, **HB 74;** Representative Rattliff, **HB 419;** Representative Smith, **HB 70;** Representative Yates, **HB 125.**

Representative Brinkley moved that the rules be suspended for the purpose of introduction of and action upon a Resolution.

On the roll call the vote was yeas 73-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams, Wright. Nays 0.

The motion that the rules be suspended for the purpose of introduction of and action on a Resolution was adopted. Agreed.

HR 53, by Representatives Brinkley, Bruce, Morris, and Kenton: A RESOLUTION adjourning the House of Representatives in honor and memory of John Henry Cox.

Representative Brinkley moved the adoption of the following **HR 53:**

HR 53, A RESOLUTION adjourning the House of Representatives in honor and memory of John Henry Cox.

WHEREAS, John Henry Cox, a native of Hopkins County and former colleague of this honorable body, passed away Sunday, January 27, at the distinguished age of 70; and

WHEREAS, John Henry Cox, served as a dedicated staff member of the Kentucky Department of Agriculture; and

WHEREAS, John Henry Cox's tenure as director of organization for the Kentucky Farm Bureau Federation lasted eleven years; and

WHEREAS, John Henry Cox served the Commonwealth as a State Senator for one term; and

WHEREAS, John Henry Cox, was a four-time member of the Kentucky House of Representatives;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That when the House adjourns this day, Wednesday, February 6, 1980, it does so in honor and memory of John Henry Cox.

Section 2. That the Clerk of the House be directed to forward a copy of this resolution to the family of John Henry Cox.

Agreed.

Representative Ellington moved the adoption of the following Legislative Citation No. 25:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Miss Myra Edmonds, daughter of Mr. and Mrs. Thomas Edmonds, of Grand Rivers, Kentucky for your outstanding academic record. Your 4.0 standing as a member of the Senior Class of Livington Central High School is most complimentary and demonstrates your dedication and hard work. Your membership in the Student Council, Tri-M Club, Future Business Leaders Association, Pep Club and Treasurer of the Beta Club are most creditable. You have bestowed great honor upon your school and community. This prestigious body salutes you and extends to you our best wishes for continuous success. (Sponsored by Representative Ellington)

Agreed.

Representative B. Richardson moved that when the House adjourns it do so by voice vote. Agreed.

Representative B. Richardson moved that when the House adjourns it do so until Monday, February 11, 1980, at the hour of 2:00 p.m. Agreed.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions
(continued)

HB 496, by Representative Williams: AN ACT relating to handgun purchase permits.

HB 497, by Representative DeFalaise: AN ACT relating to traffic regulations.

Posting of Bills and Resolutions for Consideration (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration.

Appropriations and Revenue: **HB 34, HCR 16.**

Education: **SB 57.**

Counties and Special Disricts: **HB 439.**

Announcements

The Clerk announced the filing of the following Floor Amendments:

Representative B. Richardson filed the following Floor Amendment No. 1 to **HB 259:**

Amend printed copy of **HB 259,** page 1, line 3, following "(1)" to add "Except as provided in section 2 of this Act," and on page 1, line 8, following "(2)" to add "Except as provided in section 2 of this Act," and on page 1, line 14, to delete "; Revenue and fiscal cases;" and to insert in lieu thereof "is amended to read as follows:" and on page 1, line 15, to delete the same and to insert in lieu thereof:

"The following actions may be brought in the Franklin Circuit Court, or in the Franklin District Court, or in any other circuit court or district court having venue:

(1) Actions to collect the revenue and all other claims, demands and penalties due the Commonwealth, or to have satisfaction made of judgments in favor of the Commonwealth, except those actions which are prosecuted by an appeal to the Kentucky board of tax appeals under the provisions of KRS 131.110 and KRS 131.340.

(2) Actions against persons required to collect money due the Commonwealth, to pay money into the state treasury, or to do any other act connected with the payment of money into the state treasury after it has been collected, and against the sureties, heirs, devisees or representatives of such persons.

(3) [Actions to surcharge and correct fee bills, accounts and settlements, with their debits and credits, and all claims against the treasury allowed and approved by any court in the Commonwealth to any person.

(4) Actions to recover any fraudulent, erroneous or illegal account, fee bill, charge, credit or claim approved and allowed or paid out of the treasury to any person.

(5)] The defendant in any action brought in Franklin Circuit Court or Franklin District Court under the provisions of subsection (1) of this section for the collection of *individual income* taxes assessed under KRS Chapter 141 shall at any time prior to the submission for judgment upon proper motion have a change of venue to the county in which he resides or his principal office or place of business is located at no cost to the defendant in Franklin Circuit Court or Franklin District Court."

Representative Jones filed the following Floor Amendment to the Second Committee Substitute to **HB 102:**

Amend printed copy of Second Committee Substitute for **HB 102** page 7, line 22, insert after the word "not" the phrase "*less than one (1) year, nor*"; and on page 8, line 23, insert after the word "*not*" the phrase "*less than one (1) year, nor*"; and on page 9, line 11, insert before the word "*more*" the phrase "*less than one (1) year nor*"

The following meetings were announced:

Judiciary: On adjournment Wednesday, Room 9.

Central Kentucky Caucus: One hour before convening on Monday, 1:00 p.m.

Joint Labor and Industry: Thursday, 12 noon, House Chamber.

Joint Meeting Program Review: Monday, 1:30 p.m., Room C.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Monday, February 11, 1980.

The motion that the House adjourn until 2:00 p.m., Monday, February 11, 1980, was adopted by voice vote.

MONDAY, FEBRUARY 11, 1980

TWENTY-SECOND LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Dr. Billy G. Hurt, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Allen, Crupper, DeFalaise, Haering, Kidd, Maynard, McNutt, and Overstreet.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 8, 1980, be dispensed with and the same approved. Agreed.

Representative B. Richardson moved that the rules be suspended for introduction of and action upon a Resolution. Agreed.

HCR 54, by Representative B. Richardson: A CONCURRENT RESOLUTION inviting Alfred Kahn to address a joint session of the General Assembly of the Commonwealth of Kentucky.

Representative B. Richardson moved the adoption of the following **HCR 54:**

HCR 54, A CONCURRENT RESOLUTION inviting Alfred Kahn to address a joint session of the General Assembly of the Commonwealth of Kentucky.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That Alfred Kahn is invited to address a joint session of the General Assembly of the Commonwealth of Kentucky on Monday, February 11, 1980, at the hour of 2 p.m.

Agreed.

Representative B. Richardson moved that the House resolve itself into a committee of the whole to go into Joint Session with the Senate. Agreed.

Joint Session

The Speaker vacated the Chair, whereupon The Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate, assumed the Chair and called the Joint Session to order.

Representative B. Richardson moved that the call of the roll be dispensed with. Agreed.

The Speaker introduced Dr. Alfred Kahn, Chairman of the President's Council on Wage and Price Stability.

Dr. Kahn addressed the Joint Session of the General Assembly.

Representative B. Richardson moved that the Joint Session of the House and Senate be dissolved. Agreed.

The Speaker resumed the Chair.

Introduction of Bills and Resolutions

HB 498, by Representatives Petty, Holbrook, McBee, Caldwell, Holloway, Isler and Mann: AN ACT relating to savings and loan associations.

HB 499, by Representative B. Richardson: AN ACT relating to corporation income tax.

HB 500, by Representative Gray and Cyrus: AN ACT relating to driver's education programs.

HB 501, by Representatives Yates and Bronger: AN ACT proposing an amendment to the Kentucky Constitution relating to county elected officials.

HR 55, by Representative B. Richardson, A RESOLUTION honoring John Y. Brown, Sr. on the celebration of his eightieth birthday.

HR 56, by Representative May: A RESOLUTION to adjourn the House of Representatives in honor and memory of Russell Reynolds.

Reference of Bills and Resolutions

The clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 494**

Cities: **SB 41.**

Education: **HB 493**

Judiciary: **HB 496, HB 497.**

State Government: **HB 495.**

Transportation: **HR 52.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Transportation: **HB 99.**

Banking and Insurance: **HB 339.**

Business Organizations and Professions: **HB 344, HB 431.**

Report of Committees

The Committee on Rules reported **HB 32, HB 63, HB 118, HB 140, HB 190, HB 205, HB 208, HB 282, HB 287, HCR 19,** and **HR 25** have been posted for passage in Orders of the Day, February 13, 1980.

Senate Message

Announcing passage of **SB 26.**

Calendar

HB 226 and **HB 346** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

Representative May moved that the rules be suspended for the purpose of acting upon a Resolution. Agreed.

Representative May moved the adoption of the following **HR 56:**

HR 56, A RESOLUTION to adjourn the House of Representatives in honor and memory of Russell Reynolds.

In kindest respect we pay homage to our friend, Russell Reynolds:

WHEREAS, Russell Reynolds, our beloved and respected friend is no longer in the service of his constituents of Breathitt, Lee, Perry, and Wolfe Counties; and

WHEREAS, Russell Reynolds will no longer serve beside us in the General Assembly of the Commonwealth of Kentucky; and

WHEREAS, Russell Reynolds was a loving father and a dedicated friend to all; and

WHEREAS, Russell Reynolds was an understanding and compassionate representative of the Eighty-ninth District; and

WHEREAS, Russell Reynolds, known for his honesty and integrity was selected to serve ten terms in this honorable body;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives does hereby express its utter sense of bereavement and loss upon the death of Representative Russell Reynolds.

Section 2. That the House of Representatives extend to the family of Russell Reynolds its profound and deepest sympathy and commends the members to the solace of the Almighty.

Section 3. That when the House of Representatives does adjourn this day, Monday, February 11, 1980, it does so in honor and memory of Russell Reynolds.

Section 4. That the Speaker of the House of Representatives designate a delegation to represent this honorable body at the services for our colleague, Russell Reynolds, to be held Tuesday, February 12, 1980, in Jackson, Kentucky.

Section 5. That the Clerk of the House of Representatives be directed to transmit a copy of this resolution to the family of Representative Russell Reynolds.

On the roll call the vote was yeas 83-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HR 56 was adopted.

The Speaker appointed the following members to represent the House of Representatives at the services for Russell Reynolds, to be held Tuesday, February 12, 1980, in Jackson, Kentucky: Representative May, Chairman; Representatives Weinberg, Donnermeyer, and Little.

HB 259, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stone moved the adoption of the Floor Amendment No. 1 to **HB 259.** Agreed.

Representative Stone moved that **HB 259,** as amended, be passed.

On the roll call the vote was yeas 75-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, McBee, McKinney, Moberly, Noe, O'Brien, Pearman, Petty, Plummer, Rapier, Rattliff, Richards, Richardson, P., Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 6-Caldwell, J. Clarke, Hancock, Nett, Tobin, Wilborn.

HB 259, as amended, was passed and the title agreed to. Representative Stone moved that the vote by which **HB 259,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 59 taken from Orders of the Day and ordered read at length for the third time. Representative May moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved that **HB 59** be passed.

On the roll call the vote was yeas 84-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Rapier, Rattliff, Richards, Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 59 was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 59** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 85, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative May moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Amendment No. 1 to **HB 85.** Agreed.

Representative LeMaster moved that **HB 85,** as amended, be passed.

On the roll call the vote was yeas 77-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Rapier, Rattliff, Richards, Richardson, B., Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Turner, Van Horn, White, Wilborn, Worthington, Wright, Yates. Nays 4-Barrows, Heleringer, Weinberg, Williams.

HB 85, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 85,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 103 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Foster moved that **HB 103** be passed.

On the roll call the vote was yeas 73-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Cawood, Clark, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lungergan, Mann, McBee, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Tobin, Turner, Van Horn, White, Williams, Worthington, Wright, Yates. Nays 11-Barrows, Blythe, Caldwell, Clarke J., DeMarcus, May, McKinney, Moberly, Stumbo, Weinberg, Wilborn.

HB 103 was passed and the title agreed to.

Representative Foster moved that the vote by which **HB 103** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 60 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Friebert moved that **SB 60** be passed.

Representative Williams moved that **SB 60** be laid on the Clerk's desk.

On the roll call the vote was, yeas 12-Bennett, Caldwell, Cawood, Clarke, Deskins, Gray, Hines, Moberly, Morris, Noe, Wilborn, Williams. Nays 65-Adams, Arnold, Bendl, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Clapp, Clark, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Guenthner, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, May, McBee, McKinney, O'Brien, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, Weinberg, Wright, Yates.

The motion that **SB 60** be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 79-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 6-Clarke, J., Hines, Moberly, Morris, Wilborn, Williams.

SB 60 was passed and the title agreed to.

Representative Friebert moved that the vote by which **SB 60** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 214, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of the Floor Amendment No. 1 to **HB 214.** Agreed.

Representative Burch moved that **HB 214,** as amended, be passed.

On the roll call the vote was yeas 45-Adams, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Cawood, Clark, Clarke, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Gray, Hancock, Head, Heleringer, Hines, Isler, Johnson, Kenton, Little, Lundergan, Mann, May, Nett, Noe, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Robinson, Smith, Stone, Weinberg, Wilborn, Williams, Yates. Nays 33-Arnold, Barrows, Blair, Burnette, Clapp, Craddock, Curd, DeMarcus, Farrow, Freibert, Fryman, Guenthner, Holbrook, Holloway, Jones, Layman, LeMaster, Lewis, List, McBee, McKinney, Morris, O'Brien, Plummer, Rattliff, Stumbo, Thomas, Tobin, Turner, Van Horn, White, Worthington, Wright.

HB 214, as amended, was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 214**, as amended, was passed by reconsidered and said motion be postponed indefinitely. Agreed.

HB 24, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved the adoption of the Committee Amendment No. 1 to **HB 24.** Agreed.

Representative Williams moved that **HB 24**, as amended, be passed.

On the roll call the vote was yeas 65-Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Layman, Lewis, Little, Lundergan, Mann, May, McBee, McKinney, Morris, Nett, Noe, Petty, Priddy, Rapier, Rattliff, Richardson, B., Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 19-Adams, Blythe, Boswell, Burnette, Craddock, Freibert, Guenthner, Hancock, Holloway, LeMaster, List, O'Brien, Plummer, Tobin, Turner, Richards, Richardson P., Robinson, Wright.

HB 24, as amended, was passed and the title agreed to.

Representative Williams moved that the vote by which **HB 24**, as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 26 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dunn moved that **HB 26** be passed.

On the roll call the vote was yeas 84-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Lewis.

HB 26 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 26** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 27 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dunn moved that **HB 27** be passed.

On the roll call the vote was yeas 82-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 27 was passed and the title agreed to.

Representative Dunn moved that the vote by which **HB 27** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 206, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved the adoption of Committee Amendment No. 1 to **HB 206.** Agreed.

Representative Pearman moved that **HB 206,** as amended, be passed.

On the roll call the vote was yeas 69-Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Clapp, Clark, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, May, McBee, Moberly, Morris, Nett, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright. Nays 8-Adams, Barrows, Caldwell, J. Clarke, Mann, Noe, Thomas, Worthington.

HB 206, as amended, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 206,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 207 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved that **HB 207** be passed.

On the roll call the vote was yeas 51-Adams, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Bruce, Burnette, Caldwell, Cawood, Clark, Craddock, Curd, Cyrus, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Freibert, Fryman, Gray, Hancock, Head, Hines, Isler, Johnson, Little, McBee, McKinney, Morris, Nett, Noe, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, Robinson, Romines, Stone, Stumbo, Thomas, Thomason, Tobin, Weinberg, Yates. Nays 25-Arnold, Barrows, Clarke, Dawahare, Farrow, Heleringer, Holbrook, Holloway, Kenton, Layman, LeMaster, Lewis, List, Mann, Moberly, O'Brien, B. Richardson, P. Richardson, Riner, Smith, Turner, Van Horn, Wilborn, Worthington, Wright.

HB 207 was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 207** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 258 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adams moved that **HB 258** be passed.

On the roll call the vote was yeas 74-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Head, Heleringer, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Robinson, Romines, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Worthington, Yates. Nays 9-Cawood, DeMarcus, Fryman, Holbrook, Lewis, Riner, Stumbo, Weinberg, Wright.

HB 258 was passed and the title agreed to.

Representative Adams moved that the vote by which **HB 258** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 303, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved the adoption of the Committee Amendment No. 1 to **HB 303.** Agreed.

Representative Jones moved that **HB 303,** as amended, by passed.

On the roll call the vote was yeas 80-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn , Weinberg, White, Wilborn, Worthington, Yates. Nays 5-Burnette, DeMarcus, Lewis, Tobin, Wright.

HB 303, as amended, was passed and the title agreed to.

Representative Jones moved that the vote by which **HB 303,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 341, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Romines moved the adoption of the Committee Amendment No. 1 to **HB 341.** Agreed.

Representative Romines moved that **HB 341,** as amended be passed.

On the roll call the vote was yeas 68-Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clark, Curd, Cyrus, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Layman, LeMaster, Lewis, Little, May, McKinney, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 11-Adams, Blythe, Clarke, J., Freibert, List, Mann, McBee, Moberly, Thomas, Tobin, Wilborn.

HB 341, as amended, was passed and the title agreed to.

Representative Romines moved that the vote by which **HB 341,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HJR 15 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved that **HJR 15** be laid on the Clerk's desk.

On the roll call the vote was yeas 76-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, List, Little, Mann, May, McBee, McKinney, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Rapier, Richards, Richardson, B., Richardson, P., Riner, Robinson, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 5-Blair, Heleringer, LeMaster, Lewis, Moberly.

The motion that **HJR 15** be laid on the Clerk's desk was adopted.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Representative Heleringer filed the following Floor Amendment No. 1 to **HB 32:**

Amend printed copy of **HB 32,** page 2, line 3 as follows:

Insert after line 3, page 2 after the word "day":

"Such procedures shall allow individual students who desire to refrain from participating in the pledge to stand silently at their desk."

Representative Bronger filed the following Floor Amendment No. 2 to **HB 41:**

Amend printed copy of **HB 41** on page 1, line 9 after the word "destroyed" delete the "," and insert in lieu thereof the word "or";

and on page 1, line 9, after the word "damaged" delete ", or undamaged"

Representative Wilborn filed the following Floor Amendment No. 1 to **HB 283:**

Amend printed copy of House Bill 283, page 1, line 1 as follows:

After "Section 1" insert the following:

KRS 140.310 is amended to read as follows:

(1) Agricultural or horticultural land may be assessed at its agricultural or horticultural value in a decedent's estate for Kentucky inheritance tax purposes if the agricultural or horticultural land is qualified real estate and is passing to a qualified person or persons.

(2) Agricultural or horticultural land which comprises more than fifty (50) percent of the assets of a corporation, the stock in which is wholly owned by qualified persons, may be assessed at its agricultural or horticultural value in a decedent's estate for Kentucky inheritance tax purposes if the agricultural or horticultural land is qualified real estate and if the stock in said corporation is passing to a qualified person or persons.

Section 2. KRS 140.330 is amended to read as follows:

In the event the qualified real estate is reported for inheritance tax purposes at its agricultural or horticultural value and that real estate has been assessed at its agricultural or horticultural value for ad valorem tax purposes, then that assessment shall be [presumed to be] its [agricultural or horticultural) value for inheritance tax purposes. If, however, the real estate has not been so assessed for ad valorem tax purposes, then the agricultural or horticultural value shall be determined pursuant to KRS Chapter 132 and such regulations as may be promulgated by the department of revenue to determine horticultural or agricultural value for inheritance tax purposes.

Section 3.

Representative Bruce filed the following Floor Amendment No. 1 to **HB 382:**

Amend printed copy of **HB 382** on page 3:

by deleting lines 1-7 in their entirety;

and on page 4 by deleting lines 15-26 in their entirety;

and on page 5 by deleting lines 1-13 in their entirety;

and on page 5, line 14, by renumbering "Section 3" as "Section 2";

and on page 15, line 2, by renumbering "Section 4" as "Section 3".

Report on Enrolled Bills

The Committee on Enrollment reported **HB 94** had been examined and found correctly enrolled. **HB 94** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Motions, Petitions, and Communications (continued)

Speaker Pro Tempore presiding.

Recess

Representative B. Richardson moved that the House recess for five minutes. Agreed.

At the appointed hour, the Speaker Pro Tempore resumed the Chair and called the House to order.

Motions, Petitions, and Communications (continued)

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 502, by Representative Worthington: AN ACT relating to county commissioners.

HB 503, by Representatives Clapp, Hancock, Romines, and Rattliff: AN ACT relating to vehicle mileage rates.

HB 504, by Representative Mann: AN ACT relating to landlords and tenants.

Posting of Bills and Resolutions for Consideration (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Transportation: **HB 444.**

State Government: **SB 99.**

Elections and Constitutional Amendments: **SCR 9, HB 295, HB 314.**

Agriculture and Small Business: **SB 29.**

Report of Committees (continued)

The Committee on State Government reported **HR 44** with the expression of opinion that the same should pass.

HR 44, A RESOLUTION inviting John Y. Brown, Sr., to address the House of Representatives of the General Assembly.

WHEREAS, the Honorable John Y. Brown, Sr., has in the past addressed the General Assembly on the anniversary of the birth of Abraham Lincoln; and

WHEREAS, Mr. Brown's repertoire of oratory is exceeded by none other throughout this great Commonwealth; and

WHEREAS, John Y. Brown, Sr., father of the Governor of this great Commonwealth and former Majority Floor Leader in this House of Representatives, now may deliver another of his remarkable Lincoln Day addresses; and

WHEREAS, it behooves all members of this great body to enjoy the remembrance of "The Great Emancipator" in a manner unlikely to be equaled throughout their days;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Honorable John Y. Brown, Sr., be and he hereby is invited to address the House of Representatives on Wednesday, February 13, 1980 in honor of Lincoln's birthday.

Section 2. That the clerk is hereby directed to mail a copy of this resolution to the Honorable John Y. Brown, Sr.

Motions, Petitions, and Communications (continued)

Representative B. Richardson moved that the rules be suspended for the purpose of action upon Simple Resolutions. Agreed.

Representative Blythe moved the adoption of **HR 44.** Agreed.

Representative B. Richardson moved the adoption of the following **HR 55:**

HR 55, A RESOLUTION honoring John Y. Brown, Sr. on the celebration of his eightieth birthday.

WHEREAS, the Honorable John Y. Brown, Sr. was born on February 1, 1900 in Sturgis, Kentucky in Union County; and

WHEREAS, John Y. Brown, Sr. attended Centre College, played football on the famous "Praying Colonels," and graduated from the University of Kentucky Law School; and

WHEREAS, John Y. Brown, Sr. has a distinguished record of public service, including five terms in the Kentucky General Assembly, where he served both as Speaker and Majority Floor Leader; and

WHEREAS, John Y. Brown, Sr. served in the United States Congress from 1933-34, and as a Special Assistant to the United States Attorney General in 1935-36; and

WHEREAS, John Y. Brown, Sr. has compiled an outstanding reputation as a trial attorney, and has defended many representatives of controversial causes; and

WHEREAS, the distinguished career of John Y. Brown, Sr. serves as an example to all Kentuckians, and reaffirms the infinite ability of the human spirit;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the General Assembly honors the Honorable John Y. Brown, Sr. on his eighty years of distinguished service as a Kentuckian.

Section 2. That the Clerk is directed to forward a copy of this resolution to the Honorable John Y. Brown, Sr.

Agreed.

Representative Caldwell moved that he be recorded as voting "yea" on **HB 214.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors: Representative Little, **HB 458;** Representative Plummer, **HB 492;** Representative Priddy, **HB 24;** Representative Wilborn, **HB 283.**

The following announcements were made:

Joint Cities: February 13, 11:00 a.m., Room 327.

Committee Chairmen: On adjournment Wednesday, Room 307.

Appropriations and Revenue: Budget review, Tuesday, 9:00 a.m., Room A.

Judiciary: Regular meeting, Wednesday, on adjournment.

Health and Welfare: Regular meeting, Wednesday, 8:00 am., Room 307. Special meeting on adjournment, Friday.

Counties and Special Districts: Regular meeting, Wednesday, 8:00 a.m.

Education: Regular meeting, Wednesday, 12 noon, Room A.

Energy: Cancelled for Tuesday. Will meet Thursday, 10:00 a.m., Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Wednesday, February 13, 1980.

On the roll call the vote was yeas 58-Adams, Arnold, Barrows, Blair, Blythe, Boswell, Bronger, Bruce, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, DeMarcus, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Layman, Lewis, Mann, May, McBee, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Rapier, Richards, Richardson, B., Richardson, P., Sale, Schmidt, Smith, Stumbo, Thomas, Thomason, Van Horn, Wilborn, Williams, Worthington. Nays 5-Dunn, Guenthner, LeMaster, Romines, Wright.

The motion to adjourn was adopted.

WEDNESDAY, FEBRUARY 13, 1980

TWENTY-THIRD LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Bob D. Dennis, Younger's Creek Baptist Church, Elizabethtown, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of February 11, 1980, be dispensed with and the same approved. Agreed.

Pursuant to **HR 44** passed on Monday, February 11. The Honorable John Y. Brown, Sr. addressed the House.

Introduction of Bills and Resolutions

HB 505, by Representative LeMaster: AN ACT relating to trial commissioners of the district court and making an appropriation therefor.

HB 506, by Representative LeMaster: AN ACT relating to bail.

HB 507, by Representative LeMaster: AN ACT relating to court facilities and making an appropriation therefor.

HB 508, by Representatives Farrow, Isler, Thomason, Stone, Cawood, Jones, and Barrows: AN ACT proposing an amendment to the Kentucky Constitution relating to county elected officials.

HB 509, by Representatives Bennett, Romines, and Van Horn: AN ACT relating to employment.

HB 510, by Representatives Dunn, Bennett, Bendl, Blandford, Blythe, Boswell, Bronger, Burch, Clark, Guenthner, Haering, Heleringer, Hines, Holloway, Kidd, Maynard, McBee, Nett, O'Brien, Priddy, Riner, Romines, Williams, Wright, and Yates: AN ACT relating to higher education and making an appropriation therefor.

HB 511, by Representatives LeMaster and Farrow: AN ACT relating to fire departments.

HB 512, by Representative Burch: AN ACT relating to cities of the first class.

HB 513, by Representative Burch: AN ACT relating to harness racing.

HB 514, by Representative Wilborn: AN ACT relating to capital construction.

HB 515, by Representative Worthington: AN ACT relating to state auditor's employe qualifications.

HB 516, by Representative Worthington: AN ACT relating to audits of state agencies.

HB 517, by Representative Worthington: AN ACT relating to cities of the third class.

HB 518, by Representatives O'Brien and Craddock: AN ACT relating to state officers and employes.

HB 519, by Representatives Mann, Schmidt, and Petty: AN ACT relating to area planning commissions.

HB 520, by Representative Heleringer: AN ACT relating to sex discrimination.

HB 521, by Representative Heleringer: AN ACT relating to discrimination against employes.

HB 522, by Representative Pearman: AN ACT relating to state funds.

HB 523, by Representative Pearman: AN ACT relating to elections.

HCR 57, by Representative Worthington: A CONCURRENT RESOLUTION requesting assistance from the federal government in the decommissioning of a nuclear waste disposal site.

HR 58, by (Joint Sponsorship) Representatives Hines, Kidd and Williams: A RESOLUTION urging the First Kentucky National Corporation of Louisville to discontinue its present loan practices with the Republic of South Africa.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 499, HB 503.**

Banking and Insurance: **HB 498.**

Cities: **SB 26.**

Counties and Special Districts: **HB 502.**

Elections and Constitutional Amendments: **HB 501.**

Judiciary: **HB 504.**

Transportation: **HB 500.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Judiciary: **HB 416, HB 418, HB 419, HB 424, HB 446, HB 475, HB 476, HB 448, HB 449, HB 408, HB 389, HR 32.**

Natural Resources and Environment: **HB 322, HB 262.**

Report of Committees

The Committee on Rules reported **HB 71, HB 137, HB 204, HB 210, HB 226, HB 278, HB 293, HB 332, HB 346,** and **HB 382** have been posted for passage in Orders of the Day, February 14, 1980.

The Committee on Rules reported **HB 391** has been recommitted to the Committee on Appropriations and Revenue.

The Committee on Counties and Special Districts reported **SB 62** with Committee Amendment attached thereto, **SB 63** with Committee Amendment attached thereto, and **HB 269** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 62, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

As used in this Act, the term "district" shall mean and the provisions of Section 1 through 3 of this Act shall apply to any board, commission or special district created pursuant to the following statutes: KRS 65.040; KRS 65.050; KRS 65.210 to 65.300; KRS 65.510 to 65.650; KRS 66.610 to 66.650; KRS 74.010 to 74.416; KRS 75.010 to 75.260; KRS 76.005 to 76.210; KRS 76.241 to 76.273; KRS 76.274 to 76.279; KRS 76.295 to 76.420; KRS 76.600 to 76.640; KRS 77.005 to 77.305; KRS 80.262 to 80.610; KRS 83.340 to 83.350; KRS 96A.010 to 96A.230; KRS 104.450 to 104.680; KRS 107.310 to 107.500; KRS 108.010 to 108.070; KRS 108.080 to 108.180; KRS 108A.010 to 108A.130; KRS 109.071 to 109.250; KRS 147.610 to 147.710; KRS 147A.050 to 147A.120; KRS 152.810 to 152.930; KRS 164.605 to 164.675; KRS 173.450 to 173.650; KRS 173.710 to 173.800; KRS 175A.010 to 175A.990; KRS 183.132 to 183.160; KRS 184.010 to 184.300; KRS 210.370 to 210.480; KRS 212.720 to 212.760; KRS 215.080 to 215.390; KRS 216.310 to 216.360; KRS 220.010 to 220.613; KRS 249.510 to 249.631; KRS 262.100 to 262.660; KRS 262.700 to 262.990; KRS 266.010 to 266.990; KRS 267.010 to 267.990; KRS 268.010 to 268.990; or KRS 273.410 to 273.455.

SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) The governing body of each district shall annually prepare a budget, and shall classify budget units in the same fashion as county budgets are classified pursuant to KRS 68.240(2) through (5). The state local finance officer shall prepare standard budget forms for district use, and shall furnish them to county clerks for distribution to district officers.

(2) The governing body of each district shall, at least once every four years, employ an independent certified public accountant, or contract with the auditor of public accounts to perform an audit of the funds in the district budget. The audit shall conform to standard audit programs for governmental accounting which are approved by the auditor of public accounts, or to other generally accepted accounting precedures as set forth by the Kentucky board of accountancy. A unit of government furnishing funds directly to a district may require additional audits at its own expense. If a district is required by law to audit its funds more often than once every four years, it shall perform those audits, but when the audit required by this subsection is performed, no other local audit shall be required.

SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) At least once every twelve (12) months, a district shall:

(a) File with the county clerk of each county with territory in the district a certification showing the name of the district, a map or general description of its service area, the statutory authority under which it was created, and the names and addresses of the members of its governing body and chief executive officer;

(b) File a copy of the district budget, financial statement if prepared, and audit when performed, with the county judge/executive of each county with territory in the district;

(c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement which includes the location of supporting documents, or the location of district financial records which may be examined by the public.

(2) The department for local government shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.

Section 4. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

Recording deed of trust or assignment for the benefit of creditors, provided the entire record thereof does not exceed three pages	$ 5.00
Exceeding three pages, for each page	1.50
Copy and certification of same when ordered	3.50
Each bond required to be taken or prepared by the clerk	2.00
Copy of any bond when ordered	1.50
Recording a bond, each bond	5.00
Receiving the acknowledgment or proof of any deed, mortgage or agreement, power of attorney, or other written instrument required by law to be done and certifying same	1.25
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of deed	3.50
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of real estate mortgage	3.50
Recording deed of assignment of real estate mortgage	5.00

Noting release of any lien, mortgage or redemption other than a deed of release	1.50
Receiving the acknowledgment, recording and certifying each deed of release of a mortgage or lien under KRS 382.360	5.00
Each additional marginal notation relating to same instrument	1.50
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	10.00
Recording survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city	10.00
Every order concerning the establishment, changing, closing or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed or discontinued, and by the applicant when it is not	1.00
Administering an oath and certificate thereof	1.00
Issuing license for which no other fee is fixed by law	1.50
Marriage license, bond, certificate and recording	4.00
For filing and indexing an original or continuation financing statement, and noting the security interest on the required receipt for one motor vehicle	6.00
For filing and indexing an assignment of a financing statement	6.00
For filing and noting a statement of release of collateral under a financing statement	1.00
Recording real estate options, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording power of attorney or revocation of power of attorney, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording plats, maps and surveys, not exceeding 18 inches by 24 inches, per page	10.00
Recording all leases which are recordable by law, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Marginal notation to same instrument	1.50
Filing or recording of certification of intention to operate a business under an assumed name	5.00
Filing or recording of mechanic's and artisan's liens under KRS Chapter 376	5.00
Filing or recording of notice of lien issued by the Internal Revenue Service	5.00
Filing or recording of notice of lien discharges issued by the Internal Revenue Service	5.00
Filing or recording of lis pendens notice concerning proceedings in bankruptcy and other lis pendens notices, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording United States liens, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording release of a United States lien, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording state tax or other state liens	5.00
Filing release of a state tax or other state lien	5.00
Filing notification and declaration and petition of candidates for office	5.00
Deposit of wills under KRS 394.110	5.00
Recording wills or other probate documents under KRS 394.300	5.00
Issuance of fish and game licenses or tags costing more than $1.00 each	.50
Registration of licenses for professional persons required to register with the county clerk	5.00
Recording and issuing articles, statements, or reports of corporations pursuant to KRS Chapter 271A, including articles of incorporation amendment, restatement of incorporation, merger, or dissolution and statements of establishment of a series of shares, cancellation of a series of shares, reduction of capital, intent to dissolve, revocation of voluntary dissolution, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Miscellaneous recordings for which no specific fee is set, provided the entire record thereof does not exceed three pages (except military discharges)	5.00
Exceeding three pages, each additional page	1.50
Filing miscellaneous documents for which no specific fee is set, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, each additional page	1.50
Filing certification required by Section 3 (1)(a) of this Act	*2.00*

The Committee Amendment to **SB 62** is as follows:

Amend printed copy of **SB 62,** page 2, on line 7, after the word "and", insert: ", as appropriate,"

and on page 2, line 20, delete the word "procedures" and insert therefor: "principles"

SB 63, AN ACT relating to county ordinances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67.077 is amended to read as follows:

(1) No county ordinance shall be passed until it has been read on two (2) separate days, but ordinances may be read by title and a summary only. *A proposed ordinance may be amended by the fiscal court after its first reading and prior to its adoption. All amendments shall be proposed in writing, and only by setting out in full each amended section.*

(2) No county ordinance shall be passed until it has been published pursuant to KRS Chapter 424. Prior to passage, ordinances may be published by summary. Publication shall include the time, date and place at which the county ordinance will be considered, and a place within the county where a copy of the full text of the proposed ordinance is available for public inspection. *Publication of amendments to a proposed ordinance shall be required prior to its adoption, and amendments shall be filed with the full text of the proposed ordinance which is available for public inspection.* In the event consideration for passage is continued from the initial meeting to a subsequent date, no further publication is necessary provided that at each meeting the time, date and place of the next meeting are announced.

(3) All county ordinances and amendments shall be published after passage and may be published in full or in summary form at the discretion of the fiscal court. Where applicable a sketch, drawing or map, together with a narrative description written in layman's terms, may be used in lieu of metes and bounds descriptions. If published in summary form, publication shall contain notice of a place in the county where the full text of the ordinance or amendment is available for public inspection.

(4) Traffic, building, housing, plumbing, electrical, safety and other self-contained codes may be adopted by reference if a copy of the code is kept with the adopting ordinance and is made a part of the permanent records of the county.

(5) The provisions of this section shall not be applicable in counties which have pursuant to KRS Chapter 67A adopted an urban-county form of government.

The Committee Amendment to **SB 63** is as follows:

Amend printed copy of **SB 63,** page 1, line 18, after the word "required" insert" ", *pursuant to KRS Chapter 424,*"

HB 269, AN ACT relating to public officials.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 43 IS CREATED TO READ AS FOLLOWS:

(1) In the event that an audit of a county official or county funds conducted pursuant to KRS 43.070 or KRS 64.810 discloses any indication of noncompliance with law, the attorney general shall conduct such investigation as is necessary to determine if prosecution is warranted and may, in his discretion, prosecute any violation of law.

(2) Where an investigation is required by this section, the attorney general shall, within six (6) months of the receipt of the audit as directed by KRS 43.090 and KRS 64.810, make a written report regarding the results of his investigation to the auditor of public accounts, the general assembly, the governor and the commonwealth's attorney of the county examined. The report of the attorney general shall include but need not be limited to the following:

(a) A description of the allegations against the official;
(b) A summary of the findings of the attorney general's investigation of such allegations;
(c) The nature and disposition of any proceedings initiated against the official.

(3) This section shall not be deemed to limit or to prohibit the investigation or prosecution of violations of law by other appropriate authorities.

The Committee Substitute to **HB 269** is as follows:

Committee Substitute for **HB 269,** AN ACT relating to public officials.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

(1) After the examination of each county's financial administration by the auditor of public accounts as provided in KRS 43.070, and receipt of a written report from the auditor of public accounts as required by KRS 43.090, the attorney general may conduct such investigation as is necessary to determine if prosecution is warranted and may, in his discretion, prosecute any violation of law.

(2) In the event the books of a county official are audited by a certified public accountant in lieu of the audit conducted by the auditor of public accounts as provided in KRS 64.810, the attorney general may conduct such investigation as is necessary to determine if prosecution is warranted and may, in his discretion, prosecute any violation of law.

(3) Where an investigation is conducted by this section, the attorney general shall, within six (6) months of the receipt of the audit as directed by KRS 43.090 and KRS 64.810, make a written report regarding the results of his investigation to the auditor of public accounts, the general assembly, the governor, the county attorney, and the commonwealth's attorney of the county examined. The report of the attorney general shall include but need not be limited to the following:

(a) A description of the allegations against the official;

(b) A summary of the findings of the attorney general's investigation of such allegations;

(c) The nature and disposition of any proceedings initiated against the official.

(4) This section shall not be deemed to limit or to prohibit the investigation or prosecution of violations of law by other appropriate authorities.

The Committee on Elections and Constitutional Amendments reported **HB 324, HB 350, HB 353,** and **HB 394** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 324, AN ACT relating to elections of officers in cities utilizing the city manager form of government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 89.440 is amended to read as follows:

(1) No person shall *have his name printed on the regular election ballot for* [be elected to] the office of mayor or commissioner without first being nominated in the manner prescribed by this section [except when vacancies occur as hereinafter provided]. On the first Tuesday after the fourth Monday in May there shall be held a primary election. The primary election shall be conducted by the same officers chosen and acting in the same manner, with the same rights and duties, as in the regular election.

(2) Each applicant for nomination shall, at least fifty-five days before the day of the primary election, file with the county clerk a petition signed by at least one hundred (100) voters, in a city of the first or second class, or by at least fifty (50) voters in a city of the third or fourth class, in the following form:

"We the undersigned, qualified voters of the city of .... and residing each at the place indicated opposite his name, do hereby request that the name of .... be placed on the voting machine and special ballot as that of an applicant for nomination for the office of .... at the primary election to be held in our city on the first Tuesday after the fourth Monday in May. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of the office.

Name	Number	Street
....	....	....
....	....	....
....	....	....................”

No voters shall sign more than one (1) petition with reference to each office that is to be filled. If any voter signs more than one (1) petition of applicants for nomination for mayor or signs the petitions of more applicants for nomination for commissioners than the number of commissioners to be elected, the name of that petitioner shall not be counted as a valid name on any petition.

(3) Immediately upon the expiration of the time for filing petitions the county clerk shall have published as provided in KRS chapter 424, the names of the persons as they will appear upon the primary ballot labels and special ballots, and shall thereupon cause the primary ballot labels and special ballots to be printed.

(4) Subsection (3) of this section shall not apply if it appears, immediately upon the expiration of the time for filing petitions, that there are not more than two (2) applicants for nomination as mayor or not more applicants for nomination for commissioner than twice the number of commissioners to be elected. In that case the applicants for mayor and the applicants for commissioner shall thereby be nominated, and no primary election shall be held for nomination for those offices.

(5) The names of the applicants for each nomination shall be placed on the voting machine as provided in KRS 89.460. Above the names of the applicants for nomination for mayor shall be printed the words, "Vote for one," and above the names of the applicants for nomination for commissioners shall be printed the words, "Vote for four," in a city of the second, third or fourth class. No party designation or emblem of any kind, nor any sign indicating any applicant's political belief or party affiliation shall be used.

(6) The persons who are qualified to vote at the regular municipal election are qualified to vote at the primary election, and the law applicable to challenges made at a regular municipal election is applicable to challenges made at the primary election.

(7) The votes shall be counted as provided in the general election laws, and after being so counted the result shall be published as provided in KRS chapter 424.

(8) The two (2) applicants receiving the highest number of votes for nomination for mayor shall be thereby nominated. The eight (8) applicants receiving the highest number of votes for nomination for commissioners are thereby nominated.

(9) The expenses of the primary election shall be paid by the city, when only city offices are on the ballot. When the ballot includes offices other than city offices, the city shall bear its proportionate share of the cost of the election.

(10) [If a vacancy occurs in the nomination of an unopposed candidate such vacancy shall be filled by placing the name of the office on the ballot to be voted on by "write-in" votes. When a vacancy occurs in the nomination of an unopposed candidate and such vacancy does not create a less number of nominees than there are offices to be filled, such vacancy shall not be filled.

(11)] If a vacancy occurs after the nominating primary the vacancy shall be filled by certifying the person who received the next highest vote count in the primary as nominated.

(11)[(12)] If a vacancy occurs during the term of an elected city officer but beyond the filing deadline for the regular city primary but before the expiration of the three month interval required by section 152 of the Constitution such vacancy shall be filled by the filing of nonpartisan petition in the form provided for in subsection (2). The petition shall be filed fifty-five (55) days prior to the general election. The candidates nominated by petition shall be listed on the ballot under the office in which the vacancy has occurred.

Section 2. KRS 89.450 is amended to read as follows:

At the regular election following the primary election, *if any,* the names of the nominees shall be placed upon ballots like those used at the primary election, except that the regular election ballots shall contain only the names of the successful nominees. *"Write-in" voting shall be permitted.* The nominee *or "write-in" candidate* receiving the greater number of votes cast for mayor, and the four (4) nominees *or "write-in" candidates,* in a city of the first, second, third or fourth class, receiving the greater number of votes for commissioners shall be elected, respectively, mayor and commissioners.

HB 350, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 118 IS CREATED TO READ AS FOLLOWS:

A candidate may use only his legal name with the exception of a nickname customarily used in connection with his legal name when filing for nomination or election to public office. No ballot shall contain a title, characterization or description of a candidate.

HB 353, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.065 is amended to read as follows:

(1) The county board of elections shall, not later than September 20 of each year, establish the voting place for each precinct. If a change becomes necessary after that date, notice of change shall be published pursuant to KRS chapter 424. If a change becomes necessary on election day, notice shall be posted at the former voting place. The expense of renting voting places, for which rent of not less than twenty dollars shall be paid, shall be paid in the same manner as other election expenses.

(2) The county board of elections shall have the authority to designate as voting places, without cost to the board, buildings constructed in whole or in part with tax revenues.

(3) The county board of elections shall make every reasonable effort to designate as voting places only those places which are accessible to all eligible voters, including those with physical limitations and the elderly.

HB 394, AN ACT relating to absentee voting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.075 is amended to read as follows:

(1) Any qualified voter who has not been declared incompetent by a court of competent jurisdiction, and who, on account of age, infirmity or illness, is not able to appear at the polls on election day may vote in the following manner. At least seven (7) days prior to the date of the election, he shall present to the clerk by mail his verified statement that his inability to appear is due to age, infirmity, or illness, and a verified statement of a physician corroborating the voter's statement and indicating whether or not the condition is temporary, applying to the instant election only, or is expected to be a continuing one. If the condition is indicated as being continuing the voter need not file further statements of disability. For ensuing elections the voter may make reference to the statement previously filed when applying for a special ballot. The county clerk shall maintain a file of all such statements. Upon receipt of the verified statement, the clerk shall immediately mail to the voter a special ballot, and envelopes, and the voter shall cast his vote in the same manner as provided for the absent voter in KRS *117.087* [117.335].

(2) Special ballots cast by disabled persons shall be tabulated in the same manner as are special ballots cast by absent voters.

SECTION 2. KRS 117.325 IS REPEALED AND RE-ENACTED AS KRS 117.086 TO READ AS FOLLOWS:

(1) The absent voter shall mark his ballot, seal it in the inner envelope and then in the outer envelope and mail it to the county clerk. The absent voter shall sign the detachable flap and the outer envelope in order to validate the absent ballot. It shall be received by the clerk before 3:00 p.m. standard time on election day in order to be counted.

(2) The clerk shall deposit all of the returned ballots in a locked ballot box immediately upon receipt without opening the outer envelope. The ballot box shall be locked with three (3) locks. The keys to the box shall be retained by the three (3) members of the central absentee ballot counting board, if one is appointed, or by the members of the board of elections, and the box shall remain locked until the ballots are counted.

(3) The clerk shall keep a list of all persons who return their voted absentee ballots, and send a copy of that list to the state board after election day. The county clerk and the secretary of state shall keep a record of the number of absentee ballots cast in any election as a part of the official returns of the election.

SECTION 3. KRS 117.335 IS REPEALED AND RE-ENACTED AS KRS 117.087 TO READ AS FOLLOWS:

(1) The challenge of an absent voter's ballot must be in writing and in the hands of the county clerk before 3:00 p.m. on election day.

(2) The county board of elections shall count the absentee ballots. The board may appoint a central absentee ballot counting board of not less than three (3) members, who shall be qualified voters and no more than two-thirds (⅔) of which shall be members of the same political party, to count the ballots at the direction of the county board of elections.

(3) Beginning at 3:00 p.m. on election day the board may meet at the clerk's office to count the absentee ballots. Candidates or their representatives shall be permitted to be present. The county board of elections shall authorize representatives of the news media to observe the counting of absent voters' ballots. The board shall open the boxes containing absent voters' ballots and remove the envelopes one (1) at a time. As each envelope is removed, it shall be examined to ascertain whether the outer envelope and the detachable

flap are in proper order and have been signed by the absent voter. All unsigned absentee ballots shall be rejected automatically. The clerk shall compare the signatures on the outer envelope and the detachable flap with the signature of the voter that appears on the registration card. If the outer envelope and the detachable flap are found to be in order the clerk shall read aloud the name of the absent voter. If the vote of such voter is not rejected on a challenge then made as provided in subsection (4), the clerk shall then open the outer envelope and remove the inner envelope, remove the detachable flap and place the inner envelope unopened in a ballot box which has been provided for the purpose.

(4) When the name of an absent voter is read aloud by the clerk, the vote of such voter may be challenged and the challenge thereto may be determined and the absentee vote accepted or rejected by the board as if the voter was present and voting in person, but if the outer envelope and the detachable flap are regular, and substantially comply with the provisions of this chapter, they shall be considered as showing that the absent voter is prima facie entitled to vote. If the vote of an absent voter is rejected pursuant to the challenge, the outer envelope shall not be opened, and the clerk shall write on the envelope the word "rejected".

(5) After the challenges have been made and all the blank inner envelopes have been placed in a ballot box, the box shall be thoroughly shaken so as to redistribute the ballots in the box. The board shall then open the ballot box, remove the absentee ballots from the inner envelopes and count the absentee ballots on a form provided by the state board.

(6) The county clerk shall retain the ballots, detachable flaps and the outer envelopes for thirty (30) days, at which time they shall be burned by the county board of elections. If a contest or recount proceeding is instituted during said thirty-day period, the ballots shall not be burned but shall be disposed of as directed by the court in which such proceeding was instituted.

(7) The county board of elections shall make public the absentee ballot results after 6:00 p.m.

The Committee on Health and Welfare reported **HB 232, HB 233,** and **SJR 8** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 232, AN ACT relating to onsite sewage disposal.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 318 IS CREATED TO READ AS FOLLOWS:

(1) The department shall solicit and collect technical information relating to improved methods for construction, use, and rehabilitation of septic tanks and drain fields and use of alternative onsite sewage disposal systems and technologies.

(2) The department shall compile such information in manual form so as to identify common onsite sewage disposal problems and a range of alternative solutions to such problems. Such manuals shall be made available upon request to local boards of health, local departments of health, other agencies, and interested persons.

(3) The department shall further update the information contained in the manual on an annual basis or as necessary and disseminate the updated information to such local boards of health, local departments of health, other agencies, and interested persons.

(4) The department shall develop a nontechnical manual for use by the homeowner to be disseminated upon request to interested agencies and persons containing information on the proper operation, use and maintenance of septic tanks and drain fields and other onsite sewage disposal systems.

(5) The department may establish by regulation a fee or schedule of fees for onsite sewage disposal manuals based on the cost of publication and dissemination of such manuals.

(6) The department shall provide training and continuing education programs to field personnel relating to onsite sewage disposal.

HB 233, AN ACT relating to powers of cities, counties, and special districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 94.160 is amended to read as follows:

(1) Any city of the second, third, fourth, fifth or sixth class may, in the manner and under the conditions set forth in KRS 96.360 to 96.510 for the acquisition and operation of a water system, purchase, establish, erect, maintain and operate a sewerage system, with necessary appurtenances, within or without the corporate limits of the city, for the purpose of supplying the city and its inhabitants with a sewerage system. *Sewerage system as used herein shall include onsite sewage disposal systems as well as sewers and related lines and appurtenances, pumping stations, and treatment and disposal plants.*

(2) A water system may be acquired with a sewerage system and joined in one (1) project with the sewerage system for the purpose of original financing.

(3) This section constitutes a method for the acquisition of a sewerage system by any city of the second, third, fourth, fifth or sixth class in addition or as an alternate to any other method authorized by statute. No proceedings shall be required for the acquisition of any sewerage system or the issuance of bonds under this section except the proceedings required by KRS 96.360 to 96.510.

Section 2. KRS 220.030 is amended to read as follows:

Sanitation districts may be established for any of the following purposes:

(1) To prevent and correct the pollution of streams.

(2) To regulate the flow of streams for sanitary purposes.

(3) To clean and improve stream channels for sanitary purposes.

(4) To provide for the collection and disposal of sewage and other liquid wastes produced within the district; and incident to such purposes and to enable their accomplishment, to construct, with all appurtenances thereto, laterals, trunk sewers, intercepting sewers, siphons, pumping stations, treatment and disposal works, to maintain, operate and repair same, and do all other things necessary for the fulfillment of the purposes of KRS 220.010 to 220.520.

(5) To provide for the management of onsite sewage disposal systems.

Section 3. KRS 67.083 is amended to read as follows:

(1) It is the purpose of this section to provide counties as units of general purpose local government with the necessary latitude and flexibility to provide and finance various governmental services within those functional areas specified in subsection (3) of this section, while the general assembly retains full authority to prescribe and limit by statute local governmental activities when it deems such action necessary.

(2) The fiscal court of any county is hereby authorized to levy all taxes not in conflict with the constitution and statutes of this state now or hereafter enacted.

(3) The fiscal court shall have the power to carry out governmental functions necessary for the operation of the county. Except as otherwise provided by statute or the Kentucky constitution, the fiscal court of any county may enact ordinances, issue regulations, levy taxes, issue bonds, appropriate funds and employ personnel in performance of the following public functions:

(a) Control of animals, and abatement of public nuisances;

(b) Regulation of public gatherings;

(c) Public sanitation and vector control;

(d) Provision of hospitals, ambulance service, programs for the health and welfare of the aging and juveniles, and other public health facilities and services;

(e) Provision of corrections facilities and services, and programs for the confinement, care and rehabilitation of juvenile law offenders;

(f) Provision of parks,,nature preserves, swimming pools, recreation areas, libraries, museums and other recreational and cultural facilities and programs;

(g) Provision of cemeteries and memorials;

(h) Conservation, preservation and enhancement of natural resources including soils, water, air, vegetation and wildlife;

(i) Control of floods;

(j) Causing the repair or demolition of structures which present a hazard to public health, safety or morals or are otherwise inimical to the welfare of residents of the county; causing the redevelopment of housing and related commercial, industrial and service facilities in urban or rural areas; providing education and counseling services and technical assistance to present and future residents of publicly assisted housing;

(k) Planning, zoning and subdivision control according to the provisions of KRS Chapter 100;

(l) Adoption, by reference or in full, of technical codes governing new construction, renovation or maintenance of structures intended for human occupancy;

(m) Regulation of commerce for the protection and convenience of the public;

(n) Regulation of the sale of alcoholic beverages according to the provisions of KRS Chapters 241 through 244;

(o) Exclusive management of solid wastes by ordinance or contract or by both and disposition of abandoned vehicles;

(p) Provision of public buildings, including armories, necessary for the effective delivery of public services;

(q) Cooperation with other units of government and private agencies for the provision of public services, including but not limited to training, educational services and cooperative extension service programs;

(r) Provision of water and sewage and garbage disposal service but not gas or electricity; *including management of onsite sewage disposal systems;*

(s) Licensing or franchising of cable television;

(t) Provision of streets and roads, bridges, tunnels and related facilities, elimination of grade crossings, provision of parking facilities, enforcement of traffic and parking regulations;

(u) Provision of police and fire protection;

(v) Regulation of taxis, buses and other passenger vehicles for hire;

(w) Provision and operation of air, rail and bus terminals, port facilities, and public transportation systems;

(x) Promotion of economic development of the county, directly or in cooperation with public or private agencies, including the provision of access roads, land and buildings, and promotion of tourism and conventions;

(y) Preservation of historic structures.

(4) The county judge/executive is hereby authorized and empowered to exercise all of the executive powers pursuant to this section.

(5) A county acting under authority of this section may assume, own, possess and control assets, rights and liabilities related to the functions and services of the county.

(6) If a county is authorized to regulate an area which the state also regulates, the county government may regulate the area only by enacting ordinances which are consistent with state law or administrative regulation.

(a) If the state statute or administrative regulation prescribes a single standard of conduct, a county ordinance is consistent if it is identical to the state statute or administrative regulation.

(b) If the state statute or administrative regulation prescribes a minimal standard of conduct, a county ordinance is consistent if it establishes a standard which is the same as or more stringent than the state standard.

(c) A county government may adopt ordinances which incorporate by reference state statutes and administrative regulations in areas in which a county government is authorized to act.

(7) County ordinances which prescribe penalties for their violation shall be enforced throughout the entire area of the county unless:

(a) Otherwise provided by statute, or

(b) The legislative body of any city within the county has adopted an ordinance pertaining to the same subject matter which is the same as or more stringent than the standards that are set forth in the county ordinance. The fiscal court shall forward a copy of each ordinance which is to be enforced throughout the entire area of the county to the mayor or chairman of the board of trustees of each city in the county.

(8) The powers granted to counties by this section shall be in addition to all other powers granted to counties by other provisions of law. A permissive procedure authorized by this section shall not be deemed to be exclusive or to prohibit the exercise of other existing laws and laws which may hereafter be enacted but shall be an alternative or supplement thereto.

(9) Any agency of county government exercising authority pursuant to subsection (3)(y) of this section shall, prior to exercising such authority, obtain the voluntary written consent of the owner of the structure. Consent may be obtained only after advising the owner in writing of any advantages and disadvantages to the owner which are likely to result from the exercise of such authority.

SJR 8, A JOINT RESOLUTION requiring a study of the feasibility of helicopter ambulance service.

WHEREAS, Kentucky has many mountainous and rural areas as well as urban; and

WHEREAS, major trauma centers are located only in Louisville and Lexington; and

WHEREAS, ground ambulances may take six to seven hours to transfer injured or sick Kentuckians from their homes or work to a trauma center or specialist at a large hospital; and

WHEREAS, helicopter ambulance service has proved effective in the military role in reducing deaths and improving medical care; and

WHEREAS, many states are now making efficient and cost effective use of helicopters for emergency medical transportation; and

WHEREAS, this system may, if implemented, save the lives of countless Kentuckians;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The legislative research commission, in cooperation with the departments of human resources, transportation, military affairs, and natural resources and environmental protection shall conduct a study of the feasibility of helicopter ambulance service in Kentucky and report on the following:

(1) Is helicopter ambulance service feasible?
(2) Who should operate it?
(3) Where should helicopters be based?
(4) What helicopters or other aircraft should be used?
(5) How should helicopters be equipped?
(6) Who should maintain the helicopters?
(7) How should pilots and crews be trained?
(8) Who should regulate the service?
(9) What costs are involved?
(10) What medical training must be given and by whom?
(11) What other factors and recommendations should be considered?

Section 2. This report shall be submitted to the Interim Joint Committee on Health and Welfare no later than June 1, 1981.

Section 3. Staff services to be utilized in completing this study are estimated to cost $12,000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

The Committee on Banking and Insurance reported **SB 40, HB 62, HB 179, HB 397,** and **HB 402** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 40, AN ACT relating to health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The commissioner shall prescribe uniform health insurance claim forms which shall be used by all insurers transacting health insurance in this state and by all state agencies that require health insurance claim forms for their records.

Section 2. This Act shall take effect on July 1, 1982.

HB 62, AN ACT relating to the Kentucky housing corporation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198A.080 is amended to read as follows:

(1) There is hereby created and established a special revolving loan fund to be known as the housing development fund and to be administered by the corporation as a trust fund separate and distinct from any other moneys or funds administered by the corporation.

(2) The housing development fund shall be comprised of and the corporation is hereby authorized to receive and accept for the housing development fund the proceeds of grants, contributions, appropriations, repayment of loans made from the fund, the proceeds of fund notes and any other monies which may be made available to the corporation for the purposes of the housing development fund from any other source. The corporation is hereby authorized to receive and accept from any source whatever any grants or contributions for the housing development fund. The corporation is further authorized to provide for the issuance, at one time or from time to time, of housing development fund notes for the purpose of providing funds for such fund; provided, however, that not more than $5,000,000 fund notes shall be outstanding at any one time. The principal of and the interest on any such fund notes shall be payable solely from the housing development fund. The fund notes of each issue shall be dated, shall mature at such time or times not exceeding ten years from their date or dates, and may be made redeemable before maturity, at the option of the corporation, at such price or prices and under such terms and conditions as may be determined by the corporation. The corporation shall determine the form and manner of execution of the fund notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the state or any

agent, including the lender. In case any officer whose signature or a facsimile of whose signature shall appear on any fund notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The fund notes may be issued in coupon or in registered form, or both, as the corporation may determine, and provision may be made for the registration of any coupon fund notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the interchange of registered and coupon fund notes. Any such fund notes shall bear interest at such rate or rates as may be determined by the corporation and may be sold in such manner, either at public or private sale, and for such price as the corporation shall determine to be for the best interest of the corporation and best effectuate the purposes of this chapter.

(3) The proceeds of any fund notes shall be used solely for the purposes for which issued and shall be disbursed in such manner and under such restrictions, if any, as the corporation may provide in the resolution authorizing the issuance of such fund notes. The corporation may provide for the replacement of any fund notes which shall become mutilated or shall be destroyed or lost.

(4) Fund notes may be issued under the provisions of this section without obtaining the consent of any department, division, commission, board, body, bureau or agency of the state, and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions or things which are specifically required by this chapter and the provisions of the resolution authorizing the issuance of such fund notes.

(5) The purpose of the housing development fund is to provide a source from which the corporation may make loans and grants, and the corporation is authorized to make loans and grants, from the housing development fund, at such interest rate or rates as may be determined by the corporation to be for the best interest of the corporation and best effectuate the purpose of this chapter, and with such security for repayment as the corporation deems reasonably necessary and practicable, to:

(a) Defray development costs of sponsors, builders and developers of residential housing, or

(b) Provide to persons and families of lower income who are applying for mortgages, either for purchase or rehabilitation of residential housing the amounts required to make down payments, pay closing costs, or make interest payments, or

(c) Make or participate in the making of construction loans which are not federally insured to sponsors, builders and developers of land development or residential housing; provided, however, that such loans shall be made only upon the determination by the corporation that construction loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions.

(6) No temporary loans shall be made by the corporation from the housing development fund except in accordance with a written agreement which shall include, without limitation, the following terms and conditions:

(a) The proceeds of such loan shall be used only for the purpose for which such loan shall have been made as provided in the agreement;

(b) Such loan shall be repaid in full as provided in the agreement;

(c) All repayments in connection with a loan to defray development costs shall be made concurrent with receipt by the borrower of the proceeds of a construction loan or mortgage loan, as the case may be, or at such other times as the corporation deems reasonably necessary or practicable; and

(d) Such security for repayment shall be specified and shall be upon such terms and conditions as the corporation deems reasonably necessary or practicable to insure all repayments.

(7) No funds from the housing development fund shall be used to carry on propaganda or otherwise attempt to influence legislation.

(8)(a) Notwithstanding other provisions of this section, the corporation shall make loans secured by a mortgage from the housing development fund to enable a person sixty-two (62) years of age or older who owns the home in which he resides, whose income combined with his spouse does not exceed six thousand dollars ($6,000), and who meets any other reasonable standards established by the corporation to make repairs to his home including but not limited to siding, weatherstripping, roofing, gutters, electrical wiring, plumbing, and installation of sewers.

(b) The maximum principal amount of such loans shall not exceed seven thousand dollars ($7,000) and the maximum interest rate shall not exceed three percent (3%). All loans shall be repayable over a period of thirty (30) years. Upon the death of the borrower prior to maturity, the unpaid balance shall be paid in full by the person to whom the house has passed by devise or descent.

HB 179, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 17 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The commissioner may make reasonable rules or regulations to establish minimum standards for medicare supplement insurance policies delivered or issued for delivery to any person in this state.

HB 397, AN ACT relating to investments of domestic insurers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.7-340 is amended to read as follows:

An insurer shall not invest in any note or other evidence of indebtedness of any director or officer of the insurer, except as to policy loans authorized under KRS 304.7-180 *and obligations subject to the provisions of KRS 304.7-200 secured by first mortgages or deeds of trust upon improved real property to be occupied as a personal residence by such director or officer of the insurer.*

HB 402, AN ACT relating to health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 17, IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Home health agency" means a public agency or private organization, or a subdivision of such an agency or organization which is licensed as a home health agency by the Kentucky health facilities and health services certificate of need and licensure board and is certified to participate as a home health agency under title XVIII of the social security act.

(2) "Home health care" means the care and treatment provided by a home health agency which is prescribed and supervised by a physician. The care and treatment shall include but not be limited to one or more of the following:

(a) Part-time or intermittent skilled nursing services provided by an advanced registered nurse practitioner, registered nurse, or licensed practical nurse;

(b) Physical, respiratory, occupational, or speech therapy;

(c) Home health aide services;

(d) Medical appliances and equipment, drugs and medication, and laboratory services, to the extent that such items and services would have been covered under the policy if the covered person had been in a hospital.

(3) "Home health aide services" means those services provided by a home health aide and supervised by a registered nurse which are directed towards the personal care of the patient. Such services shall include but not be limited to the following:

(a) Helping the patient with bath, care of mouth, skin, and hair;

(b) Helping the patient to the bathroom or in using a bedpan;

(c) Helping the patient in and out of bed and assisting with ambulation;

(d) Helping the patient with prescribed exercises which the patient and home health aide have been taught by appropriate professional personnel;

(e) Assisting with medication ordinarily self administered that has been specifically ordered by a physician;

(f) Performing incidental household services as are essential to the patient's health care at home provided that such services would have been performed if the patient was in a hospital or skilled nursing facility; and

(g) Reporting to the professional nurse supervisor changes in the patient's condition or family situation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 17, IS CREATED TO READ AS FOLLOWS:

(1) All insurers issuing individual health insurance policies in the Commonwealth providing coverage on an expense incurred basis shall make available and offer to the purchaser coverage for home health care. The coverage may contain a limitation on the number of home health care visits for which benefits are payable, but the number of such visits shall not be less than sixty (60) in any calendar year or in any continuous

period of twelve (12) months for each person covered under the policy. Each visit by an authorized representative of a home health agency shall be considered as one (1) home health care visit, except that at least four (4) hours of home health aide service shall be considered as one (1) home health visit.

(2) Home health care coverage shall be subject to the same deductible and coinsurance provisions as are other services covered by insurers issuing individual health insurance policies in the Commonwealth.

(3) Home health care shall not be reimbursed unless an attending physician certifies that hospitalization or confinement in a skilled nursing facility as defined by the Kentucky health facilities and health services certificate of need and licensure board would otherwise be required if home health care was not provided.

(4) Medicare beneficiaries shall be deemed eligible to receive home health care benefits under an individual health insurance policy providing coverage on an expense incurred basis provided that the policy shall only pay for those home health care services which are not paid for by medicare and do not exceed the maximum liability of the policy.

(5) Pursuant to the provisions of this Act, all insurers issuing individual health insurance policies in the Commonwealth on an expense incurred basis shall inform the beneficiaries of such policies, in writing, of the specific home health care benefits which are covered. Such written notification shall take place at the time of issuance or reissuance of the policy.

SECTION 3. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 18, IS CREATED TO READ AS FOLLOWS:

(1) All insurers issuing group or blanket health insurance policies and certificates issued thereunder in the Commonwealth providing coverage on an expense incurred basis shall make available and offer to the master policyholder coverage for home health care. The coverage may contain a limitation on the number of home health care visits for which benefits are payable, but the number of such visits shall not be less than sixty (60) in any calendar year or in any continuous period of twelve (12) months for each person covered under the policy. Each visit by an authorized representative of a home health agency shall be considered as one (1) home health care visit except that at least four (4) hours of home health aide service shall be considered as one (1) home health visit.

(2) Home health care coverage shall be subject to the same deductible and coinsurance provisions as are other services covered by insurers issuing group or blanket health insurance policies in the Commonwealth.

(3) Home health care shall not be reimbursed unless an attending physician certifies that hospitalization or confinement in a skilled nursing facility as defined by the Kentucky health facilities and health services certificate of need and licensure board would otherwise be required if home health care was not provided.

(4) Medicare beneficiaries shall be deemed eligible to receive home health care benefits under a group or blanket health insurance policy provided that the policy shall only pay for those home health care services which are not paid for by medicare and do not exceed the maximum liability of the policy.

(5) Pursuant to the provisions of this Act, all insurers issuing group or blanket health insurance policies and certificates issued thereunder in the Commonwealth providing coverage on an expense incurred basis which include coverage for home health care shall inform the beneficiaries of such policies, in writing, of the specific home health care benefits which are covered. Such written notification shall take place at the time of issuance or reissuance of the policy.

SECTION 4. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 32, IS CREATED TO READ AS FOLLOWS:

(1) All nonprofit hospital, medical-surgical, dental and health service corporations issuing policies in the Commonwealth which provide hospital, medical, or surgical expense benefits shall make available and offer to include benefits for home health care. On group benefits the option for home health care benefits shall be made available and offered to the master policyholder. The coverage may contain a limitation on the number of home health care visits for which benefits are payable, but the number of such visits shall not be less than sixty (60) in any calendar year or in any continuous period of twelve (12) months for each person covered under the policy. Each visit by an authorized representative of a home health agency shall be considered as one (1) home health care visit except that at least four (4) hours of home health aide service shall be considered as one (1) home health visit.

(2) Home health care coverage shall be subject to the same deductible and coinsurance provisions as are other services covered by nonprofit hospital, medical-surgical, dental and health service corporations which issue policies in the Commonwealth that provide hospital, medical, or surgical expense benefits.

(3) Home health care shall not be reimbursed unless an attending physician certifies that hospitalization or confinement in a skilled nursing facility as defined by the Kentucky health facilities and health services certificate of need and licensure board would otherwise be required if home health care was not provided.

(4) Medicare beneficiaries shall be deemed eligible to receive home health care benefits under a policy, contract, plan entered into, issued, delivered or amended in this state by a nonprofit hospital, medical-surgical, dental and health service corporation which provides hospital, medical or surgical expense benefits provided that the policy, contract or plan shall only pay for those home health care services which are not paid for by medicare and do not exceed the maximum liability of the policy, contract or plan.

(5) Pursuant to the provisions of this Act, all nonprofit hospital, medical-surgical, dental and health service corporations issuing policies in the Commonwealth which provide hospital, medical, or surgical expense benefits or coverage for home health care shall inform the beneficiaries of such policies, in writing, of the specific home health care benefits which are covered. Such written notification shall take place at the time of issuance or reissuance of the policy.

SECTION 5. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 38, IS CREATED TO READ AS FOLLOWS:

(1) Health maintenance organizations issuing policies in the Commonwealth which provide hospital, medical, or surgical expense benefits shall make available and offer to include benefits for home health care. On group benefits the option for home health care benefits shall be made available and offered to the master policyholder. The coverage may contain a limitation on the number of home health care visits for which benefits are payable, but the number of such visits shall not be less than sixty (60) in any calendar year or in any continuous period of twelve (12) months for each person covered under the policy. Each visit by an authorized representative of a home health agency shall be considered as one (1) home health care visit except that at least four (4) hours of home health service shall be considered as one (1) home health visit.

(2) Home health care coverage shall be subject to the same deductible and coinsurance provisions as are other services covered by health maintenance organizations which issue policies in the Commonwealth that provide hospital, medical, or surgical expense benefits.

(3) Home health care shall not be reimbursed unless an attending physician certifies that hospitalization or confinement in a skilled nursing facility as defined by the Kentucky health facilities and health services certificate of need and licensure board would otherwise be required if home health care was not provided.

(4) Medicare beneficiaries shall be deemed eligible to receive home health care benefits under a policy, contract or plan entered into, issued, delivered, or amended in this state by a health maintenance organization which provides hospital, medical, or surgical expense benefits provided that the policy, contract or plan shall only pay for those home health care services which are not paid for by medicare and do not exceed the maximum liability of the policy, contract or plan.

(5) Pursuant to the provisions of this Act, all health maintenance organizations issuing policies in the Commonwealth which provide hospital, medical, or surgical expense benefits or coverage for home health care shall inform the beneficiaries of such policies, in writing, of the specific home health care benefits which are covered. Such written notification shall take place at the time of issuance or reissuance of the policy.

SECTION 6. A NEW SECTION OF KRS CHAPTER 304 SUBTITLE 17 IS CREATED TO READ AS FOLLOWS:

The department of insurance shall collect such data as is deemed necessary to monitor any impact the provisions of this Act may have on the cost of health insurance in the Commonwealth and make a report of its findings to the general assembly in two (2) years following the effective date of this Act. Such report shall include but not be limited to the following information pertaining to home health care policies issued pursuant to this Act:

(1) The number of individual and group home health care policies purchased;
(2) The number and amount of claims made on individual and group home health care policies;
(3) The amount of premiums paid on individual and group home health care policies;
(4) The number of persons covered under individual and group home health care policies; and
(5) The cost savings or increase, to the degree that it is determinable, that coverage for home health care has had on the cost of health insurance in the Commonwealth.

Section 7. The provisions of this Act shall become effective January 1, 1981 and apply to policies, contracts, and plans issued on and after that date.

The Committee on Education reported **HB 412** and **SB 57** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 412, AN ACT relating to higher education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.820 is amended to read as follows:

(1) The government of the University of Louisville is vested in a board of trustees consisting of fifteen (15) competent citizens of Kentucky appointed by the governor; one (1) member of the teaching faculty of the University of Louisville who shall be the chief executive of the ranking unit of faculty government; *a member of the permanent staff of the University of Louisville who shall be the chief executive of the staff senate;* and a student member who shall be the president of the student body; however, if the student body

president is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member. The faculty member, *staff member* and student body member shall cease to be eligible for membership on the board of trustees upon termination of their respective relationships with the university, and vacancies occurring by reason of such termination shall be filled for the remainder of the respective terms in the same manner. The fifteen (15) citizen members of the board shall annually elect one of their number to serve as chairman of the board.

(2) To facilitate transition of the University of Louisville to full status as a state institution, terms of members of the board of trustees in office on July 1, 1970, shall be terminated as of that date or as of the date their successors are appointed and qualify, and their successors shall be appointed by the governor according to the following schedule:

(a) Two (2) for one (1) year terms.

(b) Two (2) for two (2) year terms, one (1) of which shall be an alumnus or alumna of the university, selected from a list of three (3) names submitted by the alumni of the university in such manner and according to rules prescribed by the board of trustees;

(c) Three (3) for three (3) year terms.

(d) Eight (8) for four (4) year terms, one (1) of whom shall be an alumnus or alumna of the university, selected as under subsection (2)(b) of this section.

(3) At the expiration of the respective terms of the citizen members of the board of trustees as prescribed in subsection (2) of this section, successors shall be appointed by the governor for terms of four (4) years each, and in making such appointments the governor shall observe the requirements relating to nominations by the alumni members. Subject to such requirements the governor shall make his appointments from the state at large so as to divide the *citizen* representation upon the board as nearly equally as possible between the two (2) leading political parties in this state.

(4) Vacancies among the citizen members of the board occurring by death, resignation, removal of residence from the Commonwealth or any other cause shall be filled by appointments made by the governor for the expiration of the term, subject to the qualifications set forth in subsection (3) of this section.

(5) No member of the teaching or administrative staff of the university shall be directly or indirectly interested in any contract with the university for the sale of property, materials, supplies, equipment, or services, with the exception of compensation to the faculty and student members.

(6) Subsection (2) of KRS 63.080 is hereby expressly made applicable to members of the board of trustees of the University of Louisville.

SB 57, AN ACT relating to higher education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.010 is amended to read as follows:

There shall be a council on higher education in Kentucky, to be composed of the superintendent of public instruction, one (1) member of the state board for elementary and secondary education, one (1) member of the state board for occupational education, ten (10) lay members appointed by the governor, and the president or chief executive officer of each four-year state institution of higher education in the state. The superintendent of public instruction and ten (10) lay members shall constitute the voting membership of the council. The lay members shall be appointed for regular terms of four (4) years, with the initial appointment of two (2) members for one (1) year, two (2) members for two (2) years, two (2) members for three (3) years and four (4) members for four (4) years. *Whenever a lay member's term expires after the effective date of this Act, the member appointed by the governor to fill the vacancy shall be appointed for a six (6) year term.* Any person, other than the superintendent of public instruction, holding either an elective or appointive state office or who is a member of the governing board of any state or private college or university in Kentucky shall be ineligible for membership or appointment on the council during his membership or term of office. When the council meets to consider curricula for teacher education, three (3) persons who are from accredited institutions of higher learning, and who have been appointed by the executive committee of the Kentucky association of colleges, secondary and elementary schools, shall be invited to meet with the council in an advisory capacity.

Section 2. KRS 164.130 is amended to read as follows:

(1) The government of the University of Kentucky is vested in a board of trustees consisting of sixteen (16) competent citizens of Kentucky appointed by the governor, two (2) members of the teaching faculty of the University of Kentucky, and one (1) member of the student body of the University of Kentucky. The voting members of the board shall select a chairman annually. The *initial* terms of the appointed members shall be for four (4) years and until their successors are appointed and qualified. *Whenever a term*

expires after the effective date of this Act, the member appointed by the governor to fill the vacancy shall be appointed for a six (6) year term. Four (4) of the sixteen (16) appointed members shall be appointed each year. Three (3) of the appointed members shall be representative of agricultural interests, three (3) shall be alumni of the university, and ten (10) shall be other distinguished citizens of the state representative of the learned professions. The governor shall so make the appointments as to divide the representation on the board as equally as possible between the two (2) leading political parties of this state. Appointments to fill vacancies shall be made for the unexpired term in the same manner as provided for the original appointments.

(2) The faculty members shall be teaching or research members of the faculty of the University of Kentucky of the rank of assistant professor, or above. They shall be elected by secret ballot by all faculty members of the university of the rank of assistant professor and above. Faculty members shall serve for terms of three (3) years and until their successors are elected and qualify. Faculty members shall be eligible for re-election, but they shall be ineligible to continue to serve as members of the board of trustees if they cease to be members of the teaching staff of the university. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original elections.

(3) The student member shall be the president of the student body of the university. If the president of the student body is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member.

(4) No member of the administrative staff of the university shall be directly or indirectly interested in any contract with the university for the sale of property, materials, supplies, equipment or services, with exception of compensation to the two faculty members.

Section 3. KRS 164.320 is amended to read as follows:

(1) The board of regents for Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, Kentucky State University and Northern Kentucky University shall each consist of eight (8) members appointed by the governor, one (1) member of the teaching faculty, and one (1) member of the student body of the respective university or college. The members of the board shall select a chairman annually.

(2) The *initial* terms of appointed members shall be for four (4) years, and until their successors are appointed and qualified. *Whenever a term expires after the effective date of this Act, the member appointed by the governor to fill the vacancy shall be appointed for a six (6) year term.* Such appointments shall be made by the governor within thirty (30) days after the expiration of the term of each member. If the governor should fail to make any such appointment within thirty (30) days after the expiration of the term of any member, the remaining members of the board of regents of the particular university or college whose terms shall not have expired, shall make such appointment within sixty (60) days after the expiration of such term.

(3) Not more than two (2) appointed members of any board shall be residents of one (1) county; nor more than four (4) of the appointed members of any board shall belong to the same political party. Membership on the board shall not be incompatible with any other state office.

(4) Appointments to fill vacancies shall be made in the same manner and within the same time after the occurrence of the vacancy as regular appointments. The person appointed shall hold the position for the unexpired term only.

(5) Each appointed member of the board shall, at the first meeting following his appointment, take an oath to faithfully discharge his duties.

(6) Each member of the board shall serve for the term for which he is appointed and until his successor is appointed and qualified.

(7) The faculty member shall be a teaching or research member of the faculty of his respective university or college of the rank of assistant professor or above. He shall be elected by secret ballot by all faculty members of his university or college of the rank of assistant professor or above. The faculty member shall serve for a term of three (3) years and until his successor is elected and qualified. The faculty member shall be eligible for re-election, but he shall not be eligible to continue to serve as a member of such board if he ceases being a member of the teaching staff of the university or college. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original election.

(8) The student member shall be the president of the student body of the university or college on whose board of regents he is to serve. If the president of the student body is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member.

Section 4. KRS 164.820 is amended to read as follows:

(1) The government of the University of Louisville is vested in a board of trustees consisting of fifteen (15) competent citizens of Kentucky appointed by the governor; one (1) member of the teaching faculty of the University of Louisville who shall be the chief executive of the ranking unit of faculty government; and a student member who shall be the president of the student body; however, if the student body president

is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member. The faculty member and student body member shall cease to be eligible for membership on the board of trustees upon termination of their respective relationships with the university, and vacancies occurring by reason of such termination shall be filled for the remainder of the respective terms in the same manner. The fifteen (15) citizen members of the board shall annually elect one of their number to serve as chairman of the board.

(2) To facilitate transition of the University of Louisville to full status as a state institution, terms of members of the board of trustees in office on July 1, 1970, shall be terminated as of that date or as of the date their successors are appointed and qualify, and their successors shall be appointed by the governor according to the following schedule:

(a) Two (2) for one (1) year terms.

(b) Two (2) for two (2) year terms, one (1) of which shall be an alumnus or alumna of the university, selected from a list of three (3) names submitted by the alumni of the university in such manner and according to rules prescribed by the board of trustees;

(c) Three (3) for three (3) year terms.

(d) Eight (8) for four (4) year terms, one (1) of whom shall be an alumnus or alumna of the university, selected as under subsection (2)(b) of this section.

(3) At the expiration of the respective terms of the citizen members of the board of trustees as prescribed in subsection (2) of this section, successors shall be appointed by the governor for terms of four (4) years each, *except that whenever a term expires after the effective date of this Act, the member appointed by the governor to fill the vacancy shall be appointed for a six (6) year term,* and in making such appointments the governor shall observe the requirements relating to nominations by the alumni members. Subject to such requirements the governor shall make his appointments from the state at large so as to divide the representation upon the board as nearly equally as possible between the two (2) leading political parties in this state.

(4) Vacancies among the citizen members of the board occurring by death, resignation, removal of residence from the Commonwealth or any other cause shall be filled by appointments made by the governor for the expiration of the term, subject to the qualifications set forth in subsection (3) of this section.

(5) No member of the teaching or administrative staff of the university shall be directly or indirectly interested in any contract with the university for the sale of property, materials, supplies, equipment, or services, with the exception of compensation to the faculty and student members.

(6) Subsection (2) of KRS 63.080 is hereby expressly made applicable to members of the board of trustees of the University of Louisville.

Report on Enrolled Bills

HB 94 delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day

HB 102, with Committee Substitutes, Committee Amendment, and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved the adoption of the Second Committee Substitute to **HB 102.** Agreed.

Representative Jones moved the adoption of the Floor Amendment No. 1 to the Second Committee Substitute to **HB 102.** Agreed.

Representative Jones moved that **HB 102,** by way of Second Committee Substitute as amended, be passed.

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 102, by way of Second Committee Substitute as amended, was passed.

Representative Jones moved the adoption of the Committee Title Amendment No. 1 to the Second Committee Substitute to **HB 102.** Agreed.

Representative Jones moved that the vote by which **HB 102,** by way of Second Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of **HB 123** and **HB 41** be deferred and that they retain their position in Orders of the Day. Agreed.

HB 130, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Boswell moved the adoption of the Committee Amendment No. 1 to **HB 130.** Agreed.

Representative Boswell moved that **HB 130,** as amended, be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Layman, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Wilborn, Williams, Worthington, Wright, Yates. Nays 7-Barrows, Caldwell, Clarke, DeFalaise, LeMaster, Moberly, Van Horn.

HB 130, as amended, was passed and the title agreed to.

Representative Boswell moved that the vote by which **HB 130,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 32, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yates moved that **HB 32** be passed.

Representative Wright moved the adoption of the Previous Question on **HB 32.**

On the roll call the vote was yeas 42-Allen, Arnold, Bennett, Blandford, Boswell, Bronger, Bruce, Burch, Burnette, Cyrus, DeMarcus, Donnermeyer, Dunn, Ellington, Foster, Freibert, Fryman, Gray, Guenthner, Holloway, Isler, Johnson, Layman, Lewis, Little, Maynard, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Richards, Riner, Robinson, Romines, Sale, Smith, Van Horn, White, Wright, Yates. Nays 38-Adams, Barrows, Bendl, Blair, Caldwell, Clarke, Craddock, Dawahare, DeFalaise, Deskins, Haering, Heleringer, Hines, Kenton, LeMaster, List, Lundergan, Mann, May, McKinney, McNutt, Moberly, Morris, Nett, Noe, Rattliff, B. Richardson, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Weinberg, Wilborn, Williams, Worthington.

The motion that the Previous Question be adopted on **HB 32** was rejected.

Representative Heleringer moved the adoption of the Floor Amendment No. 1 to **HB 32.**

On the roll call the vote was yeas 14-Barrows, Cawood, Clarke, Guenthner, Heleringer, Hines, McKinney, Moberly, Nett, Noe, Schmidt, Weinberg, Wilborn, Williams. Nays 78-Adams, Allen, Arnold, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Holbrook, Holloway, Isler, Johnson, Kenton, Layman, Lewis, List, Little, Lundergan, May, Maynard, McBee, McNutt, Morris, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards. B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Worthington, Wright, Yates.

The motion that Floor Amendment No. 1 to **HB 32** be adopted was rejected.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 6-Barrows, Clarke, Heleringer, Moberly, Wilborn, Williams.

HB 32 was passed and the title agreed to.

Representative Yates moved that the vote by which **HB 32** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 60** has been examined and found correctly enrolled. **SB 60** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day (continued)

Representative B. Richardson moved that consideration of **HB 63** be deferred and that it retain its position in Orders of the Day. Agreed.

HB 118, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of the Committee Substitute to **HB 118.** Agreed.

Representative Noe moved that **HB 118,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 83-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Isler, Johnson, Kenton, Kidd, Layman, Lewis, Little, Lundergan, Mann, Maynard, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 9-Allen, Blythe, Burnette, DeMarcus, Fryman, Holbrook, Holloway, LeMaster, List.

HB 118, by way of Committee Substitute, was passed and the title agreed to.

Representative Noe moved that the vote by which **HB 118,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 140 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dunn moved that **HB 140** be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 5-DeMarcus, Ellington, Foster, Guenthner, List.

HB 140 was passed and the title agreed to.

Representative Dunn moved that the vote by which **HB 140** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 190, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of the Committee Amendment No. 1 to **HB 190.** Agreed.

Representative Nett moved that **HB 190,** as amended, be passed.

On the roll call the vote was yeas 28-Bendl, Blythe, Bruce, Caldwell, Clark, Clarke, DeFalaise, DeMarcus, Foster, Freibert, Haering, Heleringer, Holloway, Johnson, List, May, McKinney, Moberly, Net, Noe, O'Brien, Rapier, Riner, Sale, Tobin, Wilborn, Worthington, Wright. Nays 55-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Boswell, Bronger, Burch, Burnette, Cawood, Clapp, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Dunn, Ellington, Farrow, Fryman, Gray, Guenthner, Isler, Jones, Kenton, Layman, LeMaster, Lewis, Lundergan, Maynard, McNutt, Morris, Overstreet, Patrick, Pearman, Plummer, Priddy, Richards, B. Richardson, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, Williams, Yates.

HB 190, as amended, was defeated.

Representative B. Richardson moved that the vote by which **HB 190,** as amended, was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

HB 205 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved that **HB 205** be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

HB 205 was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 205** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 208 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved that **HB 208** be passed.

On the roll call the vote was yeas 66-Allen, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Clark, Clarke, Craddock, Crupper, Curd, Davenport, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Lewis, Little, Lundergan, Mann, McBee, McKinney, Morris, Noe, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Turner, Weinberg, Wilborn, Williams, Yates. Nays 22-Adams, Arnold, Barrows, Cawood, Cyrus, Farrow, Freibert, Heleringer, Layman, LeMaster, List, McNutt, Moberly, O'Brien, Richards, B. Richardson, Riner, Stumbo, Tobin, Van Horn, Worthington, Wright.

HB 208 was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 208** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 282, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved the adoption of Committee Amendment No. 1 to **HB 282.** Agreed.

Representative Johnson moved that **HB 282,** as amended, be passed.

On the roll call the vote was yeas 94-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 282, as amended, was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 282,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of **HB 287** be deferred and that it retain its position in Orders of the Day. Agreed.

HCR 19 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stone moved that **HCR 19** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

HCR 19 was passed and the title agreed to.

HR 25 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lundergan moved that **HR 25** be adopted.

On the roll call the vote was yeas 88-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Fryman, Gray, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HR 25 was adopted and the title agreed to.

Representative B. Richardson moved that the vote by which **HR 25** was adopted be reconsidered and said motion be postponed indefinitely. Agreed.

Motions, Petitions, and Communications

The Clerk announced the filing of the following Amendments:

The *Corrected Copy* of Committee Amendment No. 1 to **HB 210** by Representative Clarke is as follows:

Amend printed copy of **HB 210,** page 2, lines 6 through 9, to read as follows:

"county finance officer, *in accordance with the provisions of KRS 160.615,* a utility gross receipts license tax for schools *computed by multiplying the gross cost of all electrical energy received by the tax rate levied under the provisions of this section* [of three percent (3%) of the gross cost of all electrical energy received in accordance with the provisions of KRS 160.615].;

following line 21, by inserting the following:

Section 3. Whereas, school districts desiring to avail themselves of the provisions of this Act should be allowed to do so at the earliest possible date, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Floor (Title) Amendment No. 1 to **HB 41** by Representative White is as follows:

Amend printed copy of **HB 41,** page 1, title, delete the word "homeowners'"

The Floor Amendment No. 3 to **HB 41** by Representative White is as follows:

Amend printed copy of **HB 41,** page 1, after line 13, add the words:

SECTION 2. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Any insurance company shall be liable for the acts of its agents when the agents are acting in their capacity as representatives of the insurance company.

The Floor Amendment No. 1 to **HB 63** by Representative Cyrus is as follows:

Amend printed copy of **HB 63,** page 1, line 11, by inserting after the word "poses." the phrase ", except that no employer shall be required to grant to an employe a leave of absence with pay."

The Floor Amendment No. 1 to the Committee Substitute to **HB 71** by Representative Clarke is as follows:

Amend printed copy of Committee Substitute for House Bill 71, page 1, line 15, by deleting the words "rate of";

Page 2, line 12, by inserting after the word "commission" and before the period, the words, "and the state investment commission";

Page 4, line 2, by placing a bracket before the word "The", and by deleting the underlining;

Line 3, by deleting the underlining;

Line 4, by deleting the underlining;

Line 5, by deleting the underlining;

Line 6, by placing a bracket after "(6)".

The Floor Amendment No. 3 to the Committee Substitute to **HB 123** by Representative Thomason is as follows:

Amend printed copy of Committee Substitute to **HB 123,** page 2, on line 15, by inserting, between the words "expire" and "at", the following:

"*upon sine die adjournment of the next regular session of the general assembly, provided that between the filing of the regulation and such sine die adjournment*"; and

on line 15, by placing a bracket "[" before the word "at" and by placing a bracket "]" after the word "time"; and

on line 18, after the word "permanent" by inserting "*after sine die adjournment of the next regular session of the general assembly*"; and

on line 20, after "mum.", by adding the following: "*Within sixty (60) days after an emergency regulation is filed under this subsection, the subcommittee shall review the emergency regulation and may recommend that the governor revoke such regulation. The subcommittee and the interim committee with appropriate jurisdiction may also review an emergency regulation at any time while it is in effect and may recommend that the governor revoke such regulations.*"

The Floor Amendment No. 1 to **HB 137** by Representative Schmidt is as follows:

Amend printed copy of **HB 137,** page 1, first Whereas: after the word "medical" delete the "," and insert the word "and"; after the word "dental" delete "and legal services"

page 2, line 8, after the word "medicine" delete the "," and insert the word "and"; after the word "dentistry" delete "and law"

page 5, line 1, after the word "medicine" delete the "," and insert the word "and"; after the word "dentistry" delete ", and law"

The Floor Amendment No. 1 to **HB 332** by Representative Rapier is as follows:

Amend printed copy of **HB 332,** page 5, after line 20, by adding the following:

"Section 3. KRS 317.440 is amended to read as follows:

(1) To protect the health and safety of the public or to protect the public against misrepresentation, deceit or fraud in the practice or teaching of barbering, the barber board shall prescribe reasonable rules and regulations:

(a) Governing the location and housing of barber shops or schools;

(b) Governing the quantity and quality of equipment, supplies, materials, records and furnishings required in barber shops or schools;

(c) Governing the training and supervision of barber apprentices;

(d) Governing the qualifications of teachers of barbering;

(e) Governing the hours and courses of instruction at barber schools;
(f) Governing the examinations of applicants for barber, apprentice barber or teacher of barbering.
(2) Regulations pertaining to health and sanitation shall be approved by the Kentucky secretary for human resources before becoming effective.

(3) Regulations pertaining to the supervision of apprentices shall not limit a barber to less than two (2) apprentices."

The Floor Amendment No. 2 to **HB 332** by Representative Morris is as follows:

Amend printed copy of **HB 332,** page 5, line 12, insert between the words "hair" and "and" the following language: "; courses of instruction relating to general business management and bookkeeping;"

The Floor Amendment No. 3 to **HB 332** by Representative Priddy is as follows:

Amend printed copy of **HB 332,** page 2, line 26, insert new subsection "(d) Has furnished evidence of having at least thirty-six (36) months experience teaching in a barber school including administrative experience in such school."

Also on line 26, delete "(d)" and insert in lieu thereof: "(e)"

The Floor Amendment No. 1 to **HB 464** by Representative B. Richardson is as follows:

Amend printed copy of **HB 464,** page 3, line 3, after the word "regulation," by adding a "["; and on

Page 3, line 4 after the word "and" by adding a "]"; and on

Page 6, line 2 by deleting "*or*" and inserting in lieu thereof "*of*"; and on

Page 6, line 21 after the word "regulation" by adding a "["; and on

Page 6, line 22 after the word "corporation" by adding a "]"; and on

Page 18, line 20 after the word "loan" by adding a "["; and on

Page 18, line 21 after the word "grant" by adding a "]"; and on

Page 30, line 3 after the word "regular" by adding the words "supervision and".

Speaker Pro Tempore Hancock presiding.

Representative Williams moved that the rules be suspended to act upon a Resolution.

On the roll call the vote was yeas 27-Barrows, Bennett, Blandford, Boswell, Bronger, Caldwell, Cawood, Dawahare, DeFalaise, Farrow, Foster, Haering, Heleringer, Johnson, Kidd, Layman, Mann, McKinney, McNutt, Morris, Noe, Petty, Priddy, Rapier, Stone, Van Horn, Williams. Nays 18-Craddock, Ellington, Freibert, Fryman, Guenthner, Lewis, May, B. Richardson, P. Richardson, Robinson, Schmidt, Smith, Stumbo, Thomason, Turner, Weinberg, Wright, Yates.

The motion that the rules be suspended was rejected.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Allen, **HB 344;** Representative Burnette, **HB 130;** Representative Craddock, **HB 130;** Representative DeFalaise, **HB 519;** Representative Haering, **HB 247, HB 248;** Representative Isler, **HB 519;** Representative Thomason, **HB 118.**

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 524, by Representative White: AN ACT relating to pay for substitute teachers.

HB 525, by Representatives Adams, Bruce, and Clapp: AN ACT relating to the transportation of farm equipment.

HB 526, by Representatives Cyrus, Holbrook, Hancock, and Blythe: AN ACT relating to the reporting of fire losses.

HB 527, by Representative Blythe: AN ACT relating to credit unions.

HB 528, by Representatives Smith and Clarke: AN ACT relating to state property.

HB 529, by Representative Wright and Heleringer: AN ACT proposing to amend the Constitution of Kentucky relating to recall of elected officials.

HB 530, by Representative Pearman: AN ACT relating to farm truck registration.

HB 531, by Representative Rapier: AN ACT relating to advertising of alcoholic beverages.

HR 59, by Representative Richards: A RESOLUTION requesting the department of justice to better publicize precautions against penalties for and hazards of certain crimes.

HR 60, by Representatives Burnette and Wright: A RESOLUTION commending Alfred Kahn for his address on inflation and deregulation to the Kentucky General Assembly.

HR 61, by Representative Blair: A RESOLUTION designating February 16, 1980, as "Phil Simms - Gary Shirk Day" throughout the Commonwealth of Kentucky.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolution have been posted for Committee consideration:

State Government: **HB 265.**

Cities: **HB 467, SB 18, SB 21, HB 330, SB 41.**

Banking and Insurance: **SB 109, SB 75, HB 491, HB 498.**

Announcements

Representative B. Richardson moved that no further business be conducted on this day except Introduction of Bills and Resolutions. Agreed.

Representative B. Richardson moved that when the House adjourns, it do so by voice vote. Agreed.

Representative B. Richardson moved that when the House adjourns, it do so until Thursday, February 14, 1980 at the hour of 2:00 p.m. Agreed.

Recess

Representative B. Richardson moved that the House recess until 5:00 p.m. Agreed.

At the appointed hour, the Speaker Pro Tempore resumed the Chair and called the House to order.

Introduction of Bills and Resolutions (continued)

HB 532, by Representatives Clapp and Burnette: AN ACT relating to workers' compensation.

Announcements (continued)

The following meetings were announced:

Subcommittee on Grand Juries: Thursday, 1:00 p.m.

Transportation: Friday, 9:00 a.m., Room 9.

State Government Hearing: Thursday, 10:00 a.m., House Chamber.

Cities: Thursday, on adjournment, Room 9.

Judiciary: Today, on adjournment, Room 9.

Rules Committee: Today on adjournment.

Committee Chairman: Immediately after meeting of Committee on Rules.

Subcommittee on Judiciary Budget: Thursday, 8:00 a.m., Room A.

Natural Resources and Environment: Regular meeting, Thursday, 12 noon, Room A.

South-Southwest Jefferson County Caucus: Thursday, 12:30 p.m., Governor Brown's office.

Adjournment

Representative Brinkley moved that the House adjourn until 2:00 p.m., Thursday, February 14, 1980.

The motion to adjourn was adopted by voice vote.

THURSDAY, FEBRUARY 14, 1980

TWENTY-FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Gene B. Waggoner, Stithton Baptist Church, Radcliff, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Hines and Robinson.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 13, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 533, by Representatives Johnson and Van Horn: AN ACT relating to motor vehicles.

HB 534, by Representative Farrow: AN ACT relating to dogs.

HB 535, by Representative LeMaster: AN ACT relating to insurance.

HB 536, by Representative Stumbo: AN ACT relating to hunting and fishing.

HB 537, by Representatives Isler and Petty: AN ACT relating to motor vehicles.

HB 538, by Representatives Mann, Bronger, Blandford, Boswell, Dunn, Yates, Priddy, Petty, and Sale: AN ACT relating to health professionals.

HB 539, by Representative Clarke: AN ACT relating to property taxation.

HB 540, by Representatives List and LeMaster: AN ACT relating to corporation license tax.

HB 541, by Representatives Burch, Bennett, Maynard, and Yates: AN ACT relating to denturists.

HR 62, by Representatives Patrick and Brinkley: A RESOLUTION requesting President Carter to reconsider his recommendation that women should be drafted.

Senate Message

Announcing passage of **SB 147, SB 118, SB 119, SB 76, SB 1,** and **SB 44.**

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 510, HB 522.**

Banking and Insurance: **HB 526, HB 527, HR 58.**

Business Organizations and Professions: **HB 513, HB 531.**

Cities: **HB 511, HB 512, HB 517.**

Counties and Special Districts: **HB 519.**

Education: **HB 524.**

Elections and Constitutional Amendments: **HB 508, HB 523, HB 529.**

Energy: **HR 57, HR 60.**

Judiciary: **HB 505, HB 506, HB 507, HB 520, HB 521, HR 59.**

Labor and Industry: **HB 509, HB 532.**

State Government: **HB 514, HB 515, HB 516, HB 518, HB 528, HR 61.**

Transportation: **HB 525, HB 530.**

Report of Committees

The Committee on Rules reported **HB 86** and **HB 155** have been posted for passage in Orders of the Day, February 15, 1980.

The Committee on Rules reported the following Bills have been recommitted:

HB 105 to the Committee on Agriculture and Small Business.

HB 329 to the Committee on State Government.

The Committee on Agriculture and Small Business reported **SB 29** and **HB 380** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 29, AN ACT relating to implied warranty.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 355.2-316 is amended to read as follows:

(1) Words or conduct relevant to the creation of an express warranty and words or conduct tending to negate or limit warranty shall be construed wherever reasonable as consistent with each other; but subject to the provisions of this Article on parol or extrinsic evidence (KRS 355.2-202) negation or limitation is inoperative to the extent that such construction is unreasonable.

(2) Subject to subsection (3), to exclude or modify the implied warranty of merchantability or any part of it the language must mention merchantability and in case of a writing must be conspicuous, and to exclude or modify any implied warranty of fitness the exclusion must be by a writing and conspicuous. Language to exclude all implied warranties of fitness is sufficient if it states, for example, that "There are no warranties which extend beyond the description on the face hereof."

(3) Notwithstanding subsection (2)

(a) unless the circumstances indicate otherwise, all implied warranties are excluded by expressions like "as is," "with all faults" or other language which in common understanding calls the buyer's attention to the exclusion of warranties and makes plain that there is no implied warranty; and

(b) when the buyer before entering into the contract has examined the goods or the sample or model as fully as he desired or has refused to examine the goods there is no implied warranty with regard to defects which an examination ought in the circumstances to have revealed to him; and

(c) an implied warranty can also be excluded or modified by course of dealing or course of performance or usage of trade*; and*

(d) with respect to the sale of bovine, porcine, ovine, and equine animals, or poultry there shall be no implied warranty that the animals are free from disease or sickness. This exemption shall not apply when the seller knowingly sells animals which are diseased or sick.

(4) Remedies for breach of warranty can be limited in accordance with the provisions of this Article on liquidation or limitation of damages and on contractual modification of remedy (KRS 355.2-718 and 355.2-719).

HB 380, AN ACT relating to livestock.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 257.530 is amended to read as follows:

(1) *No person may engage in the business of being a livestock dealer without having first obtained a license from the division. Application for such license shall be made on a form provided by the division and accompanied by a fee of ten dollars ($10), payable to the Kentucky state treasurer. The license shall expire on December 31 and must be renewed annually. All license fees shall be deposited in a revolving fund to be used for the administration of KRS 257.510 to KRS 257.540.*

(2) Any livestock dealer shall maintain records of all transactions conducted by him for the next preceding six-month period including the names and addresses of persons from whom he has purchased or to whom he has sold livestock and the date of such transactions and to make such records available to [the] division *representatives* upon [written] request; provided, however, there shall be no requirement to maintain or furnish records or information as to the amount paid or received for any head of livestock.

(3)[(2)] The following acts by any livestock dealer shall be violations of this chapter *and may result in said license being revoked or suspended after hearing by the board of agriculture*:

(a) Failure to maintain the records required under subsection *(2)* [(1)] of this section;

(b) Failure to provide access to division *representatives* [employes] of such records;

(c) Buying or selling livestock under an assumed name or address; and

(d) Violation of any valid regulation or statute governing disease control.

Section 2. KRS 257.270 is amended to read as follows:

The board may employ veterinarians for the purpose of carrying out the provisions of this chapter. [The veterinarians shall be paid not more than fifteen dollars ($15.00) per diem and their necessary expenses incurred in the discharge of their official duties.]

Section 3. KRS 246.990 is amended to read as follows:

(1) Any person who violates *subsection (2) of KRS 246.210 or* subsection (2) of KRS 246.220 shall be fined not less than fifty dollars ($50.00) nor more than two hundred dollars ($200) for the first offense; he shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) and be confined in the county jail for not less than sixty (60) days nor more than one hundred and twenty (120) days, for each subsequent offense.

(2) Any person who violates subsection (3) of KRS 246.220 shall be fined not less than five dollars ($5.00) nor more than one hundred dollars ($100) or be imprisoned for not more than ten (10) days, or both. Each day's hindering or refusal of access shall constitute a separate offense.

(3) Any person who violates subsection (4) of KRS 246.220 shall be fined not less than two dollars ($2.00) nor more than fifty dollars ($50.00).

(4) Any person who violates subsection (5) of KRS 246.220 shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100).

(5) Any person who violates subsection (6) of KRS 246.220 shall be fined not less than ten dollars ($10.00) nor more than fifty dollars ($50.00).

(6) Any person who violates subsection (7) of KRS 246.220 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned for not more than three (3) months, or both.

(7) Any owner or operator of a dairy plant who shall fail to comply with the provisions of KRS 246.240 or any part thereof shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than one hundred dollars ($100).

(8) Any person violating any of the provisions of KRS 246.510 to 246.590 shall be fined not less than $100 nor more than $500, and imprisoned not more than one (1) year, or both. Each violation shall be deemed a separate offense.

Section 4. KRS 257.260, state livestock inspector, is repealed.

The Committee on Judiciary reported **HB 50, HB 87** with Committee Substitute attached thereto, **HB 126** with Committee Substitute attached thereto, **HB 229** with Committee Substitute attached thereto, **HB 231** with Committee Substitute attached thereto, **HB 318** with Committee Amendment attached thereto, **HB 356, HB 385,** and **HB 396** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 50, AN ACT relating to police radios.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 432.570 is amended to read as follows:

(1) It shall be unlawful for any person except a member of a police department or police force or an official with written authorization from the head of a department which regularly maintains a police radio system authorized or licensed by the federal communications commission, to have in his or her possession, or in an automobile or other vehicle, or to equip or install in or on any automobile or other vehicle, any mobile radio set or apparatus capable of either receiving or transmitting radio or other messages or signals within the wave length or channel now or which may hereafter be allocated by the federal communications commission, or its successor, for the purpose of police radios, or which may in any way intercept or interfere with the transmission of radio messages by any police or other peace officers and it shall be unlawful for any car, automobile or other vehicle other than one publicly owned and entitled to an official license plate issued by the state issuing a license for said car, to have, or be equipped with such sets or apparatus even though said car is owned by an officer. Provided, however, the provisions of this section shall not apply to any automobile or other vehicle owned or operated by a member of a sheriff's department authorized by the fiscal court to operate a radio communications system that is licensed by the federal communications commission or other federal agency having the authority to license same.

(2) Any person guilty of violating any of the provisions of this section shall be guilty of a misdemeanor, and, upon conviction, shall be punished by a fine of not less than fifty dollars ($50) and not exceeding five hundred dollars ($500), or imprisonment not exceeding twelve (12) months, or both so fined and imprisoned.

(3) It shall be the duty of any and all peace officers to seize and hold for evidence any and all equipment had or used in violation of the provisions of this section, and, upon conviction of the person having, equipping or using such equipment, it shall be the duty of the trial court to order such equipment or apparatus destroyed, forfeited or escheated to the Commonwealth of Kentucky, and said property may be ordered destroyed, forfeited or escheated as above provided without a conviction of the person charged with violating this section.

(4) Nothing contained in this section shall prohibit the possession of a radio by:

(a) An individual who is a retailer or wholesaler and in the ordinary course of his business offers such radios for sale or resale or by;

(b) A commercial or educational radio or television station, licensed by the federal communications commission, at its place of business or by;

(c) An individual who possesses such a radio, provided it is capable of receiving radio transmissions only and is not capable of sending or transmitting radio messages, at his place of residence; licensed commercial auto towing trucks; newspaper reporters and photographers, *peace officers authorized in writing by the head of their law enforcement agency, commonwealth's attorneys and their assistants, county attorneys and their assistants*, except that it shall be unlawful to use such radio to facilitate any criminal activity or to avoid apprehension by law enforcement officers. Violation of this section shall, in addition to any other penalty prescribed by law, result in a forfeiture to the local law enforcement agency of such radio.

(5) The secretary of the executive department for finance and administration is hereby empowered by issuance of a secretary's order to exempt from the prohibitions and penalties of this section the possession and use of any and all radio communication equipment that he finds is necessary to be owned and used by members of the general public and other nonpolice persons for utilization in the N.O.A.A. weather radio system.

HB 87, AN ACT relating to domestic relations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) Any abused spouse that has been a resident of this state for at least thirty (30) days may file a verified petition in a court of general jurisdiction seeking protective orders for the abused spouse, his children or stepchildren. For the purpose of this section an "abused spouse, abused child or stepchild" is any person who has by the intentional or wanton acts of his spouse, parent or stepparent suffered bodily injury or reasonable apprehension of imminent bodily injury.

(2) The verified petition shall fully describe the abuse complained of and shall set forth:

(a) The age, occupation, and residence of each party and his length of residence in this state.

(b) The date and place of the marriage.

(c) The names, ages, and addresses of the parties' minor children.

(3) The court without a jury and upon proper motion may enter such orders that are necessary for the protection of the spouses and their children or stepchildren including the following orders:

(a) Emergency protective order to restrain abuse upon good cause shown. Such order may issue ex parte in which case the court shall cause immediate notice to the adverse party, that he may show cause, not less than ten (10) days after service upon him, why such order shall not remain in effect. Immediate and present danger of abuse shall constitute good cause for the purpose of this section and emergency protective orders shall be issued without bond.

(b) Support order under the appropriate standards of KRS 403.200 and 403.210.

(c) Custody order under the appropriate standards of KRS 403.260, 403.270, and 403.320.

(4) The court may modify any order issued in a proceeding under this section at any time and upon motion by either party may, if the jurisdictional requirements of KRS 403.140 are met, convert a proceeding under this section to an action for dissolution of marriage or legal separation. All orders issued pursuant to this section shall remain in effect until such time as the parties reconcile or the proceeding is converted to an action for dissolution or marriage or legal separation.

(5) The court may waive prepayment of court cost when an action under this section could not be filed without such a waiver.

(6) The Rules of Civil Procedure apply to all proceedings under this section except as otherwise provided.

The Committee Substitute to **HB 87** is as follows:

HB 87, AN ACT relating to domestic relations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) Any married person who has been a resident of this state for at least thirty (30) days may file a verified petition in a court of general jurisdiction seeking protective orders if he, his child or a stepchild is abused by his spouse. For the purpose of this section an "abused spouse, abused child or stepchild" is any person who has by the intentional or wanton acts of his spouse, parent or stepparent suffered bodily injury or reasonable apprehension of imminent bodily injury.

(2) The verified petition shall fully describe the abuse complained of and shall set forth:

(a) The age, occupation, and residence of each party and his length of residence in this state.

(b) The date and place of the marriage.

(c) The names, ages, and addresses of the parties' minor children.

(3) The court without a jury and upon proper motion may enter such orders that are necessary for the protection of the spouses and their children or stepchildren including the following orders:

(a) Emergency protective order to restrain abuse upon good cause shown. Such order may issue ex parte in which case the court shall cause immediate notice to the adverse party that he may show cause why such order shall not remain in effect. Immediate and present danger of abuse shall constitute good cause for the purpose of this section and emergency protective orders shall be issued without bond.

(b) Support order under the appropriate standards of KRS 403.200 and 403.210.

(c) Custody order under the appropriate standards of KRS 403.260, 403.270, and 403.320.

(4) The court may modify any order issued in a proceeding under this section at any time and upon motion by either party may, if the jurisdictional requirements of KRS 403.140 are met, convert a proceeding under this section to an action for dissolution of marriage or legal separation. All orders issued pursuant to this section shall remain in effect until further ordered by the court.

(5) The court may waive prepayment of court cost when an action under this section could not be filed without such a waiver.

(6) The Rules of Civil Procedure apply to all proceedings under this section except as otherwise provided.

HB 126, AN ACT relating to controlled substances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 218A.990 is amended to read as follows:

(1) Any person who knowingly and unlawfully traffics in or transfers a controlled substance classified in Schedules I or II which is a narcotic drug shall, for the first offense, be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than ten (10) years nor more than twenty (20) years or be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000), or both.

(2) Any person who knowingly and unlawfully traffics in a controlled substance classified in Schedules I or II other than a narcotic drug, except marijuana, or in any controlled substance classified in Schedule III shall, for the first offense, be confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than five (5) nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(3) Any person who knowingly and unlawfully traffics in any controlled substance classified in Schedules IV or V or transfers any controlled substance other than a narcotic drug except marijuana, classified in Schedules I, II, or III shall, for the first offense, be confined in the county jail for not more than 1 year or be fined not more than five hundred dollars ($500), or both, and for each subsequent offense shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(4) Any person who knowingly and unlawfully manufactures, sells, or possesses with intent to sell marijuana shall, for the first offense, be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both, and for each subsequent offense shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(5) *Any person who knowingly and unlawfully plants, cultivates, grows or harvests marijuana shall be confined to the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000) or both.*

(6) Any person who knowingly and unlawfully possesses a controlled substance classified in Schedules I or II which is a narcotic drug shall be, for the first offense, confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both and for each subsequent offense shall be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(7)[(6)] Except as otherwise provided in this subsection, any person who knowingly and unlawfully possesses any controlled substance classified in Schedules I, II, or III which is not a narcotic drug, except marijuana, or of any controlled substance classified in Schedules IV, or V, shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(a) Any person found guilty of possession of any controlled substance pursuant to this subsection shall for a first offense, be ordered to a facility designated by the secretary for human resources where a program of treatment and rehabilitation not to exceed one (1) year in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If, without good cause, the person fails to appear at the designated facility within the specified time, or if at any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than one year or a fine of not more than five hundred dollars ($500), or both. Upon discharge of the person from the facility by the secretary for human resources or his designee prior to the expiration of the one-year period or upon satisfactory completion of one (1) year of treatment, the person shall be deemed finally discharged from sentence. The secretary or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which such person is sentenced.

(c) Transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five (5) days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary for human resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment of patients and others for services rendered by the department for human resources unless the person and the facility shall arrange otherwise.

(g) Any person found guilty of a subsequent offense of possession of controlled substances in violation of subsection *(7)* [(6)] of this section shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(h) Prior to the imposition of sentence upon conviction of a second or subsequent offense, the court shall obtain a report of case progress and recommendations regarding further treatment from the facility at which the person was treated following his first conviction. If such material is not available, the court shall notify the secretary for human resources, and the secretary shall cause the person to be examined by a psychiatrist employed by the department to evaluate his mental condition and to make recommendations regarding treatment and rehabilitation. The psychiatrist making the examination shall submit a written report of his findings and recommendations regarding treatment and rehabilitation to the court which shall make the report available to the prosecuting attorney and the attorney for the defendant. The court shall take such reports into consideration in determining sentence. The secretary may decline to cause such examination to be made if the number of psychiatrists on duty in the department is insufficient to spare one from his regular duties or if no such service may be purchased at regular departmental rates, in such event the secretary shall notify the clerk of the court to that effect within three (3) days after receipt of notification by the court.

(i) For purposes of this section, an offense is considered a second or subsequent offense, if, prior to his conviction of the offense, the offender has at any time been convicted under this chapter or under any statute of the United States or of any state relating to the substances classified as controlled substances.

(j) None of the provisions of this subsection shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(k) In the case of any person who has been convicted for the first time of possession of controlled substances, the court may set aside and void the conviction upon satisfactory completion of treatment, probation or othe sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime. Voiding of conviction under this subsection and dismissal may occur only once with respect to any person.

(8)[(7)] Any person who knowingly and unlawfully possesses for his own use or transfers marijuana shall be confined in the county jail for not more than ninety (90) days or be fined not more than two hundred fifty dollars ($250).

(a) Any person found guilty of violating subsection *(8)* [(7)] above may be ordered to a facility designated by the secretary for human resources where a program of education, treatment, and rehabilitation not to exceed ninety (90) days in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If without good cause, the person fails to appear at the designated facility within the specified time, or if any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than ninety (90) days or a fine of not more than two hundred dollars ($250) or both. Upon discharge of the person from the facility by the secretary for human resources or his designee prior to the expiration of the ninety-day period or upon satisfactory completion of ninety (90) days of treatment, the person shall be deemed finally discharged from sentence. The secretary or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which a person sentenced by that court under this chapter shall be initially ordered.

(c) In the case of a person ordered to a facility for treatment and rehabilitation pursuant to this chapter, transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five (5) days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary for human resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment by patients and others for services rendered by the department for human resources unless the person and the facility shall arrange otherwise.

(g) None of the provisions of this chapter shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(h) In the case of any person who has been convicted of possession of marijuana, the court may set aside and void the conviction upon satisfactory completion of treatment, probation or other sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime.

(9)[(8)] Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules I, II, or III shall be guilty of a felony and shall be punished by confinement in the penitentiary for not less than one (1) year nor more than five (5) years, or by a fine of not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(10)[(9)] Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules IV or V shall be guilty of a felony and shall be punished by not less than one (1) year nor more than three (3) years imprisonment, or by a fine of not less than one thousand dollars ($1,000) nor more than three thousand dollars ($3,000), or both.

(11)[(10)] Any person who violates subsection (6) of KRS 218A.140 or who violates any other provision of this chapter, for which a specific penalty is not otherwise provided, shall be guilty of a misdemeanor and shall upon conviction be imprisoned for not more than ninety (90) days or fined not more than five hundred dollars ($500), or both.

The Committee Substitute to **HB 126** is as follows:

HB 126, AN ACT relating to controlled substances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 218A.990 is amended to read as follows:

(1) Any person who knowingly and unlawfully traffics in or transfers a controlled substance classified in Schedules I or II which is a narcotic drug shall, for the first offense, be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than ten (10) years nor more than twenty (20) years or be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000), or both.

(2) Any person who knowingly and unlawfully traffics in a controlled substance classified in Schedules I or II other than a narcotic drug, except marijuana, or in any controlled substance classified in Schedule III shall, for the first offense, be confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than five (5) nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(3) Any person who knowingly and unlawfully traffics in any controlled substance classified in Schedules IV or V or transfers any controlled substance other than a narcotic drug except marijuana, classified in Schedules I, II, or III shall, for the first offense, be confined in the county jail for not more than 1 year or be fined not more than five hundred dollars ($500), or both, and for each subsequent offense shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(4) Any person who knowingly and unlawfully manufactures, sells, or possesses with intent to sell marijuana shall, for the first offense, be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both, and for each subsequent offense shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(5) (a) Any person who knowingly and unlawfully plants, cultivates or harvests ten (10) or more plants of marijuana for the purposes of sale shall be confined to the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000) or both.

(b) Any person who knowingly and unlawfully plants, cultivates or harvests less than ten (10) plants of marijuana for purposes of sale shall be guilty of a class B misdemeanor.

(6) Any person who knowingly and unlawfully possesses a controlled substance classified in Schedules I or II which is a narcotic drug shall be, for the first offense, confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more

than five thousand dollars ($5,000), or both and for each subsequent offense shall be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(7)[(6)] Except as otherwise provided in this subsection, any person who knowingly and unlawfully possesses any controlled substance classified in Schedules I, II, or III which is not a narcotic drug, except marijuana, or of any controlled substance classified in Schedules IV, or V, shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(a) Any person found guilty of possession of any controlled substance pursuant to this subsection shall for a first offense, be ordered to a facility designated by the secretary for human resources where a program of treatment and rehabilitation not to exceed one (1) year in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If, without good cause, the person fails to appear at the designated facility within the specified time, or if at any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than one year or a fine of not more than five hundred dollars ($500), or both. Upon discharge of the person from the facility by the secretary for human resources or his designee prior to the expiration of the one-year period or upon satisfactory completion of one (1) year of treatment, the person shall be deemed finally discharged from sentence. The secretary or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which such person is sentenced.

(c) Transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five (5) days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary for human resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment of patients and others for services rendered by the department for human resources unless the person and the facility shall arrange otherwise.

(g) Any person found guilty of a subsequent offense of possession of controlled substances in violation of subsection *(7)* [(6)] of this section shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(h) Prior to the imposition of sentence upon conviction of a second or subsequent offense, the court shall obtain a report of case progress and recommendations regarding further treatment from the facility at which the person was treated following his first conviction. If such material is not available, the court shall notify the secretary for human resources, and the secretary shall cause the person to be examined by a psychiatrist employed by the department to evaluate his mental condition and to make recommendations regarding treatment and rehabilitation. The psychiatrist making the examination shall submit a written report of his findings and recommendations regarding treatment and rehabilitation to the court which shall make the report available to the prosecuting attorney and the attorney for the defendant. The court shall take such reports into consideration in determining sentence. The secretary may decline to cause such examination to be made if the number of psychiatrists on duty in the department is insufficient to spare one from his regular duties or if no such service may be purchased at regular departmental rates, in such event the secretary shall notify the clerk of the court to that effect within three (3) days after receipt of notification by the court.

(i) For purposes of this section, an offense is considered a second or subsequent offense, if, prior to his conviction of the offense, the offender has at any time been convicted under this chapter or under any statute of the United States or of any state relating to the substances classified as controlled substances.

(j) None of the provisions of this subsection shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(k) In the case of any person who has been convicted for the first time of possession of controlled substances, the court may set aside and void the conviction upon satisfactory completion of treatment, probation or othe sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime. Voiding of conviction under this subsection and dismissal may occur only once with respect to any person.

(8)[(7)] Any person who knowingly and unlawfully possesses for his own use or transfers marijuana shall be confined in the county jail for not more than ninety (90) days or be fined not more than two hundred fifty dollars ($250).

(a) Any person found guilty of violating subsection *(8)* [(7)] above may be ordered to a facility designated by the secretary for human resources where a program of education, treatment, and rehabilitation not to exceed ninety (90) days in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If without good cause, the person fails to appear at the designated facility within the specified time, or if any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than ninety (90) days or a fine of not more than two hundred dollars ($250) or both. Upon discharge of the person from the facility by the secretary for human resources or his designee prior to the expiration of the ninety-day period or upon satisfactory completion of ninety (90) days of treatment, the person shall be deemed finally discharged from sentence. The secretary or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which a person sentenced by that court under this chapter shall be initially ordered.

(c) In the case of a person ordered to a facility for treatment and rehabilitation pursuant to this chapter, transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five (5) days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary for human resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment by patients and others for services rendered by the department for human resources unless the person and the facility shall arrange otherwise.

(g) None of the provisions of this chapter shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(h) In the case of any person who has been convicted of possession of marijuana, the court may set aside and void the conviction upon satisfactory completion of treatment, probation or other sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime.

(9)[(8)] Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules I, II, or III shall be guilty of a felony and shall be punished by confinement in the penitentiary for not less than one (1) year nor more than five (5) years, or by a fine of not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(10)[(9)] Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules IV or V shall be guilty of a felony and shall be punished by not less than one (1) year nor more than three (3) years imprisonment, or by a fine of not less than one thousand dollars ($1,000) nor more than three thousand dollars ($3,000), or both.

(11)[(10)] Any person who violates subsection (6) of KRS 218A.140 or who violates any other provision of this chapter, for which a specific penalty is not otherwise provided, shall be guilty of a misdemeanor and shall upon conviction be imprisoned for not more than ninety (90) days or fined not more than five hundred dollars ($500), or both.

HB 229, AN ACT relating to committees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 387.210 is amended to read as follows:

(1) The district courts shall have exclusive jurisdiction of the appointment and accounting of committees. Application shall be filed and notice given in the same manner required for guardians. There shall be filed with said application a statement from the clerk of the circuit court that the incompetent has been

adjudged as such. Appointment shall be made, bond executed, and accounting required in the same manner as guardians and actions upon such bond may be maintained by any person aggrieved by a breach thereof. *However, the posting of corporate surety by a duly appointed committee, when that committee is composed of a member or members of the incompetent person's immediate family, shall not be required.*

(2) An appeal may be taken to the circuit court from the judgment of a district court appointing or removing, or failing to appoint or remove, a committee by any person interested in the person or estate of the person of unsound mind, who shall execute a bond for costs as in other appeal cases.

The Committee Substitute to **HB 229** is as follows:

HB 229, AN ACT relating to committees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 387.210 is amended to read as follows:

(1) The district courts shall have exclusive jurisdiction of the appointment and accounting of committees. Application shall be filed and notice given in the same manner required for guardians. There shall be filed with said application a statement from the clerk of the circuit court that the incompetent has been adjudged as such. Appointment shall be made, bond executed, and accounting required in the same manner as guardians and actions upon such bond may be maintained by any person aggrieved by a breach thereof. *However, the posting of surety by a duly appointed committee, when that committee is composed of a member or members of the incompetent person's immediate family may be waived by the court.*

(2) An appeal may be taken to the circuit court from the judgment of a district court appointing or removing, or failing to appoint or remove, a committee by any person interested in the person or estate of the person of unsound mind, who shall execute a bond for costs as in other appeal cases.

HB 231, AN ACT relating to criminal littering.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 512.070 is amended to read as follows:

(1) A person is guilty of criminal littering when he:

(a) Drops or permits to drop on a highway any destructive or injurious material and does not immediately remove it; or

(b) Knowingly places or throws litter on any public or private property or in any public or private water without permission; or

(c) Negligently places or throws glass or other dangerous pointed or edged substances on or adjacent to water to which the public has access for swimming or wading or on or within fifty feet of a public highway; or

(d) Discharges sewage, minerals, oil-products or litter into any public waters or lakes within the state.

(2) If litter is found on public or private property, and if some piece of the litter, including but not limited to letters and labelled periodicals, bears the name and address of a person, it shall be considered prima facie evidence that the addressee thereon identified is guilty of criminal littering.

(3)[(2)] Criminal littering is a Class B misdemeanor.

The Committee Substitue to **HB 231** is as follows:

HB 231, AN ACT relating to littering.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) If litter is found on public or private property, and if three (3) or more pieces of the litter, including but not limited to letters and labelled periodicals, bear the name and address of a person, it shall create a rebuttable presumption that the addressee thereon identified is guilty of littering.

(2) Littering in punishable by a fine of no more than two hundred fifty dollars ($250).

HB 318, AN ACT relating to limitation of actions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 413.140 is amended to read as follows:

(1) The following actions shall be commenced within one year after the cause of action accrued:

(a) An action for an injury to the person of the plaintiff, or of her husband, his wife, child, ward, apprentice or servant.

(b) An action for injuries to persons, cattle or other livestock by railroads or other corporations, with the exception of hospitals licensed pursuant to KRS Chapter 216.

(c) An action for malicious prosecution, conspiracy, arrest, seduction, criminal conversation or breach of promise of marriage.

(d) An action for libel or slander.

(e) An action against a physician, surgeon, dentist or hospital licensed pursuant to KRS Chapter 216, for negligence or malpractice.

(f) An action for the escape of a prisoner, arrested or imprisoned on civil process.

(g) An action for the recovery of usury paid for the loan or forbearance of money or other thing, against the loaner or forbearer or assignee of either.

(h) An action for the recovery of stolen property, by the owner thereof against any person having the same in his possession.

(i) An action for the recovery of stolen property, by the owner thereof, against the thief or any accessory.

(2) *In respect to the action referred to in paragraph (d) of subsection (1) of this section the cause of action shall be deemed to accrue with respect to any book publication at the time of last sale of any unused copy of said book.*

(3) In respect to the action referred to in paragraph (e) of subsection (1) of this section, the cause of action shall be deemed to accrue at the time the injury is first discovered or in the exercise of reasonable care should have been discovered; provided that such action shall be commenced within five years from the date on which the alleged negligent act or omission is said to have occurred.

(4)[(3)] In respect to the action referred to in paragraph (g) of subsection (1) of this section, the cause of action shall be deemed to accrue at the time of payment. This limitation shall apply to all payments made on all demands, whether evidenced by writing or existing only in parol.

(5)[(4)] In respect to the action referred to in paragraph (h) of subsection (1) of this section, the cause of action shall be deemed to accrue at the time the property is found by its owner.

(6)[(5)] In respect to the action referred to in paragraph (i) of subsection (1) of this section, the cause of action shall be deemed to accrue at the time of discovery of the liability.

The Committee Amendment No. 1 to **HB 318** is as follows:

Amend printed copy of **HB 318** page 2, line 11, by inserting after the word "*sale*" the words: "*or publication*"

HB 356, AN ACT relating to child custody.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 403.270 is amended to read as follows:

(1) The court shall determine custody in accordance with the best interests of the child and equal consideration shall be given to each parent. The court shall consider all relevant factors including:

(a) The wishes of the child's parent or parents as to his custody;

(b) The wishes of the child as to his custodian;

(c) The interaction and interrelationship of the child with his parent or parents, his siblings, and any other person who may significantly affect the child's best interests;

(d) The child's adjustment to his home, school, and community; and

(e) The mental and physical health of all individuals involved.

(2) The court shall not consider conduct of a proposed custodian that does not affect his relationship to the child. The abandonment of the family residence by a custodial party shall not be considered where said party was physically harmed or was seriously threatened with physical harm by his or her spouse, when such harm or threat of harm was causally related to the abandonment.

(3) The court may grant joint custody to the child's parents if it is in the best interest of the child.

HB 385, AN ACT relating to trusts and estates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 389.045 is amended to read as follows:

(1) The court shall appoint a suitable person, as commissioner, to execute its judgment.

(2) The court shall cause the title of the property to be conveyed by a commissioner to the purchaser, without warranty.

(3) The conveyance must be acknowledged before and approved by the court, and be certified by its clerk to the county clerk for record.

(4) In the actions for investment authorized by KRS 389.010 the court shall order the proceeds of sales to be invested, subject to its approval, in real estate in or out of this state, or in bonds of the United States or of this state, or in the stock of a bank of this state, *or in any investment which the court shall deem appropriate and prudent,* subject to the same uses, trusts and limitations as the estate sold was subject to.

(5) If the owner of real estate which may have been sold under the provisions of this chapter die during infancy; or being incompetent, die intestate; and upon privy examination as is authorized by this chapter, or without disposing in the manner authorized by law of the property in which the proceeds may have been invested, the person who would have been entitled to the property, if it had not been sold, shall be entitled to the proceeds, or to the property in which they have been invested.

(6) All persons interested in the property must be made parties; and, if objection to the sale be made by a defendant having a joint interest, his share shall not be sold, but the property may be divided, and a sale of the shares of those desiring it may be ordered, if such division and sale can be made without materially impairing the value of the property or of the plaintiff's interest therein.

(7) If a deed or will give to a trustee a discretionary power to sell the property, the court shall not have power to order a sale of it without the consent of the trustee.

HB 396, AN ACT relating to detectives of the commonwealth attorneys.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 69.110 is amended to read as follows:

Commonwealth [Circuit] detectives shall have *statewide* [the same] power of arrest and right to execute process [as sheriffs have]. They shall assist the commonwealth's attorney in all matters pertaining to his office in the manner he designates and shall assist him in the preparation of all criminal cases in circuit court by investigating the evidence and facts connected with such cases.

The Committee on Business Organizations and Professions reported **HB 163, HB 239,** and **HB 344** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 163, AN ACT relating to funeral directors.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 316.180 is amended to read as follows:

(1) The governor shall make all appointments to the board. The four (4) funeral director members shall be appointed from *lists* [a list] of names furnished him each year by the members of the funeral directors association of Kentucky in their annual June convention, by vote of the majority of members present,

and by the Kentucky association of morticians, inc. Three (3) names shall be selected *by each association* each year who meet the requirements of KRS 316.170. The [secretary of the] state *associations shall* [association will] send the names selected to the governor for appointment. The governor shall appoint one (1) member of the board each year and every fourth year shall appoint two (2) members, selecting each funeral director member appointed from the list of names submitted by the last session of the funeral directors association of Kentucky in its last June convention *or that submitted by the Kentucky association of morticians, inc.* The term of each member shall be four (4) years.

(2) Vacancies occurring on the board shall be filled by the governor for the unexpired terms.

(3) The governor shall furnish a certificate of appointment to each person appointed to the board.

HB 239, AN ACT relating to occupational regulation.

WHEREAS, occupational regulation is proliferating at an alarming rate as evidenced by the fact that more than nine hundred (900) occupations are now licensed or regulated in some fashion; and

WHEREAS, each legislative session, proposals to regulate still more occupations are referred to state legislatures, including the Kentucky General Assembly which in 1978 session considered twenty-one (21) bills to license new occupations; and

WHEREAS, there is a lack of information on which to determine the need to regulate and there exists no orderly procedure for reviewing and evaluating proposals; and

WHEREAS, several states have developed procedures for the systematic review of proposals; and

WHEREAS, the Interim Joint Committee on Business Organizations and Professions developed review guidelines which were adopted by the Legislative Research Commission for the 1978-79 interim, the provisions of which are incorporated in this Act;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 335A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

This Act shall be referred to as the Kentucky "Sunrise" Act for Occupational Regulation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

(1) It is the intent of the general assembly of the Commonwealth of Kentucky that no regulation shall be imposed upon any occupation except for the exclusive purpose of protecting the public interest. An occupation shall be regulated only when it can be clearly demonstrated that unregulated practice poses a substantial threat to the public health or safety and the threat is supported by verified evidence and not by tenuous argument. The purpose of this Act is to establish criteria which shall be met before the general assembly takes action to regulate any occupation not being regulated as of the effective date of this Act.

(2) As used in this Act, "occupation" means any occupation, profession, vocation, calling or type of work.

(3) Regulation of any occupation not regulated as of the effective date of this Act shall fall within the jurisdiction of the standing committees of the house and senate or interim joint committee on business organizations and professions. Any proposal for regulation shall be referred to that committee and shall be reviewed and evaluated by the committee in accordance with the provisions of this Act. In the review process, the burden of proof shall reside with proponents of regulation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

The standing committees of the house and senate or interim joint committee on business organizations and professions shall apply the following criteria in reviewing and evaluating any proposal to regulate an occupation.

(1) No proposal shall be approved unless there is substantial evidence that the public is being unduly harmed by unregulated practices.

(2) No proposal shall be approved the exclusive purpose of which is to enhance the status of, or promote the interests of, the occupation to be regulated.

(3) When occupational regulation is deemed necessary, the least restrictive form of regulation which adequately protects the public shall be approved.

(4) No proposal which unnecessarily or unreasonably restricts entry into, or the practice of, an occupation shall be approved.

(5) Unless there is sufficient evidence to the contrary, occupational regulation shall be administered by a state agency and not by an entity composed of members of the occupation.

(6) Any legislation enacted to regulate an occupation shall terminate five (5) years from its effective date, subject to evaluation and reenactment by the general assembly.

SECTION 4. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

(1) Proponents of regulation shall submit to the standing committees of the house and senate or interim joint committee on business organizations and professions information required in this section. The committee may request any additional information it deems necessary to effectively evaluate a proposal for regulation.

(2) General information about the occupation to be regulated.

(a) The title of the occupation.

(b) Approximate number of practitioners in Kentucky.

(c) Names of individuals or organizations which are proposing regulation.

(d) Names of associations which represent members of the occupation and the percentage of membership they represent.

(e) A list of states which regulate the occupation and dates of enactments.

(f) A brief description of regulatory schemes enacted in other states.

(3) Documentation of need for regulation.

(a) A description of the nature and extent of the harm to the public being perpetrated by the unregulated practice of the occupation, which shall be substantiated by accurate, timely and reliable data.

(b) A list and description of complaints which have been lodged against practitioners in Kentucky.

(c) A list and description of existing laws which might protect the public.

(d) A copy of a "code of ethics" or "code of conduct" to which practitioners might subscribe through a professional association.

(e) A description of any professional certification program which may be in force.

(f) A statement of the degree of independent judgment exercised by practitioners.

(g) If applicable, a copy of federal legislation which would mandate or necessitate regulation.

(4) Regulation being proposed.

(a) Type of regulation being proposed and the rationale for such regulation.

(b) Reasons why other types of regulation would not effectively protect the public.

(c) A copy of legislation which has been developed and an explanation of, and rationale for, each provision of the legislation.

(d) The cost of regulation, including the indirect cost to consumers, and the proposed method of financing.

(e) The extent to which regulation will affect the number and distribution of practitioners.

HB 344, AN ACT relating to architects.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 323.030 is amended to read as follows:

(1) A nonresident licensed to practice architecture in his own state or country but not in the commonwealth and having no established place of business in the commonwealth may act solely as a consulting associate of an architect licensed in the commonwealth.

(2) An architect acting solely as an officer or employe of the United States government is not required to be licensed in the commonwealth.

(3) A licensed professional engineer may prepare plans and specifications for and supervise the construction of structures as an incident to the practice of his own profession.

(4) If the drawings and specifications are signed by the authors thereof with the true titles of their occupations as may be required by law, this chapter does not apply to:

(a) Any building which is to be used for farm purposes only;

(b) Any building containing not more than 20,000 square feet total floor area, except:

1. An asylum, hospital, nursing or convalescent home, or home for the aged, regardless of capacity;
2. A school or educational institution, regardless of capacity;
3. A residential building containing more than twelve (12) *living units* [bedrooms];
4. A place of assembly *having a capacity in excess of one hundred (100) persons or 2,000 square feet of total floor area*[, regardless of capacity];
5. A mercantile building having a capacity in excess of one hundred (100) persons;
6. An industrial building having a capacity in excess of one hundred (100) persons; and
7. An office building having a capacity in excess of one hundred (100) persons

(c) Alterations to any building to which this chapter does not apply, if the alterations do not involve changes affecting structural safety.

The Committee Amendment No. 1 to **HB 344** is as follows:

Amend printed copy of **HB 344** page 2, lines 9 and 10, by deleting the words "or 2,000 square feet of total floor area"

The Committee on Natural Resources and Environment reported **HB 261,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 261, AN ACT relating to red fox.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 150 IS CREATED TO READ AS FOLLOWS:

(1) The red fox shall be a game animal and protected wildlife species. Red fox may be chased by hounds year round except during deer season when deer may be taken by gun. It shall be unlawful to kill red fox for any purpose or in any manner.

(2) It shall be unlawful to buy or sell green hides, raw furs, or pelts of a red fox. Live red fox may be bought or sold for the purpose of restocking.

Section 2. KRS 150.990 is amended to read as follows:

(1) Each bird, fish or animal taken, possessed, bought, sold or transported and each device used or possessed contrary to the provisions of this chapter or any regulation adopted by the commissioner thereunder shall constitute a separate offense. The penalties prescribed in this section shall be for each offense.

(2) Any person who violates any of the provisions of this chapter or any regulations adopted by the commission hereunder, for which no definite fine or imprisonment is fixed, shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100).

(3) Any person who violates any of the provisions of subsection (3) of KRS 150.090, subsections (1) and (2) of KRS 150.180, KRS 150.300, KRS 150.330, subsection (2) of KRS 150.360, KRS 150.485 or KRS 150.600 shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200) or imprisoned for not more than six (6) months, or both.

(4) Any person who violates any of the provisions of KRS 150.460 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned for not more than six (6) months, or both, and in addition to such penalties shall be liable to the department in an amount reasonably necessary to restock such fish or replenish such other wildlife which has been killed or destroyed.

(5) Any licensee who violates any provisions of this chapter or any regulations adopted by the commissioner thereunder shall, in addition to the penalties provided in subsections (2), (3) and (4) of this section, forfeit his license and shall not be permitted to purchase another license for the same calendar year.

(6) Any county clerk, deputy clerk or agent who knowingly makes a false entry upon a license record or report, in violation of subsection (2) of KRS 150.190 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(7) Any person who violates the provisions of KRS 150.390(1), (2), (3) or (4) shall be fined not less than one hundred dollars ($100), nor more than five hundred dollars ($500).

(8) Any person who violates the provisions of KRS 150.390(5) shall be fined not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000), or imprisoned for not less than thirty (30) days nor more than one (1) year, or both.

(9) Any person who violates the provisions of KRS 150.390(5) shall, in addition to the penalties prescribed in subsection (8) of this section, forfeit his hunting license and shall not be permitted to apply nor be issued a hunting permit for a period of one (1) to three (3) years and in addition shall be liable to the department in an amount reasonably necessary to replace any deer or wild turkey taken in violation of KRS 150.390(5).

(10) Any person who violates KRS 150.525 shall be fined not less than twenty-five dollars ($25), nor more than two hundred dollars ($200) or imprisoned for not more than six (6) months, or both.

(11) Any person who violates any regulation which has been or may be hereafter adopted by the commission under any provisions of this chapter or which is adopted to supplement, explain, carry out or limit any provision of this chapter, shall be subject to the same penalty as is provided for the violation of

any provisions of this chapter under which the regulation is adopted or which the regulation supplements, explains, carries out or limits.

(12) Any person violating the provisions of subsection (1) of KRS 150.670, shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100).

(13) Any nonresident who violates KRS 150.235, subsection (2) or (3), shall be fined not less than fifty dollars ($50) nor more than two hundred dollars ($200).

(14) No fines, penalty, or judgment assessed or rendered under this chapter shall be suspended, reduced or remitted otherwise than expressly provided by law.

(15) Any person who violates any provision of KRS 150.183 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each violation.

(16) Any person who violates Section 1 of this Act shall be fined not less than one hundred dollars ($100) nor more than nine hundred dollars ($900), or imprisoned for not more than six (6) months, or both, and in addition to such penalties shall be liable to the department in an amount reasonably necessary to restock such wildlife which has been killed or destroyed.

The Committee Amendment to No. 1 to **HB 261** is as follows:

Amend printed copy of **HB 261** page 1, lines 6 and 7 by striking the words: "It shall be unlawful to kill red fox for any purpose or in any manner."

Calendar

SB 62, SB 63, HB 269, HB 324, HB 350, HB 353, HB 394, HB 232, HB 233, SR 8, SB 40, HB 62, HB 179, HB 397, HB 402, HB 412, and **SB 57** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 123 with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved the adoption of the Committee Substitute to **HB 123.** Agreed.

Representative Thomason moved the adoption of the Floor Amendment No. 3 to the Committee Substitute to **HB 123.** Agreed.

Representative Thomason moved that **HB 123,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 95-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright. Nays 0.

HB 123, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 123** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 41, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bronger moved the adoption of the Floor Amendment No. 2 to **HB 41.** Agreed.

Representative White moved the adoption of the Floor Amendment No. 3 to **HB 41.**

On the roll call the vote was yeas 54-Allen, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Caldwell, Cawood, Clapp, Curd, Cyrus, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Gray, Haering, Head, Heleringer, Holbrook, Isler, Kenton, Layman, Lewis, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Noe, Patrick, Petty, Plummer, Rapier, Rattliff, B. Richardson, Romines, Stumbo, Thomas, Tobin, Turner, Van Horn, Weinberg, White, Yates. Nays 28-Adams, Arnold, Burnett, Clarke, Craddock, Crupper, Davenport, DeMarcus, Ellington, Foster, Freibert, Fryman, Guenthner, Hancock, Holloway, Jones, LeMaster, List, McNutt, Overstreet, Pearman, Richards, P. Richardson, Riner, Schmidt, Thomason, Worthington, Wright.

The motion that Floor Amendment No. 3 to **HB 41** be adopted was adopted.

Representative Little moved that **HB 41,** as amended, be passed.

On the roll call the vote was yeas 45-Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Cawood, Clark, Crupper, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Heleringer, Kenton, Lewis, Little, Lundergan, May, Maynard, McKinney, Moberly, Morris, Nett, Noe, Petty, Priddy, Rapier, B. Richardson, Romines, Smith, Tobin, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 49-Adams, Allen, Arnold, Blair, Brinkley, Burnett, Caldwell, Clapp, Clarke, Craddock, DeMarcus, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Holbrook, Holloway, Johnson, Jones, Kidd, Layman, LeMaster, List, Mann, McBee, McNutt, O'Brien, Overstreet, Patrick, Pearman, Plummer, Rattliff, Richards, P. Richardson, Riner, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Wright.

HB 41, as amended, was defeated.

Senate Message

Announcing passage of **SB 20** and **SB 146.**

Orders of the Day (continued)

HB 63, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved the adoption of the Floor Amendment No. 1 to **HB 63.** Agreed.

Representative Cyrus moved that **HB 63,** as amended, be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 63, as amended, was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 63,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 71, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 71.** Agreed.

Representative Clarke moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 71.** Agreed.

Representative Clarke moved that **HB 71,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 92-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

HB 71, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 71,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 137, with Committee Amendments and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved the adoption of the Committee Amendment No. 2 to **HB 137.** Agreed.

Representative Weinberg moved that **HB 137,** as amended, be passed.

Representative Schmidt moved the adoption of the Floor Amendment No. 1 to **HB 137.** Agreed.

Representative Weinberg moved that **HB 137,** as amended, be passed.

On the roll call the vote was yeas 66-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Cawood, Clark, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Head, Heleringer, Kenton, Kidd, Layman, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Noe, Overstreet, Petty, Plummer, Rapier, Rattliff, Richards, B. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 23-Bendl, Burnette, Caldwell, Craddock, Crupper, DeFalaise, DeMarcus, Ellington, Freibert, Fryman, Guenthner, Haering, Hancock, Holbrook, Jones, List, McNutt, O'Brien, Patrick, Pearman P. Richardson, Schmidt, Wright.

HB 137, as amended, was.passed.

Representative Weinberg moved the adoption of the Committee Amendment No. 1 (Title) to **HB 137.** Agreed.

Representative Weinberg moved that the vote by which **HB 137,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 210, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of the Committee Amendment No. 1 to **HB 210.** Agreed.

Representative Holbrook moved that **HB 210,** as amended, be passed.

On the roll call the vote was yeas 76-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Little, Lundergan, Mann, Maynard, McBee, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 7-Haering, Hancock, Moberly, Pearman, Riner, Tobin, Wright.

HB 210, as amended, was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 210** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 226 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved that **HB 226** be passed.

Representative Cawood moved that **HB 226** be laid on the Clerk's desk.

On the roll call the vote was yeas 75-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Burnette, Caldwell, Cawood, Clapp, Clarke, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Head, Heleringer, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Rapier, Richards, B. Richardson, P. Richardson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Worthington. Nays 11-Bruce, Craddock, Fryman, Haering, Holbrook, Johnson, Maynard, Morris, Rattliff, Riner, Wright.

The motion that **HB 226** be laid on the Clerk's desk was adopted.

HB 278 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **HB 278** be passed.

On the roll call the vote was yeas 84-Adams, Allen, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Bruce, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 278 was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 278** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 293 with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the adoption of the Committee Amendment No. 1 to **HB 293.** Agreed.

Representative Schmidt moved that **HB 293,** as amended, be passed.

On the roll call the vote was yeas 66-Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Clarke, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Guenthner, Haering, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Kenton, LeMaster, Lewis, Little, Lundergan, Maynard, McKinney, Morris, Nett, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Rattliff, Riner, Romines, Sale, Schmidt, Smith, Stumbo, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 26-Adams, Barrows, Bendl, Brinkley, Cawood, Craddock, Crupper, Curd, Foster, Gray, Hancock, Kidd, Layman, List, May, McBee, McNutt, Moberly, Noe, Pearman, Richards, B. Richardson, Stone, Thomas, Tobin, Worthington.

HB 293, as amended, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 293,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 382, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved the adoption of Floor Amendment No. 1 to **HB 382.** Agreed.

Representative Bruce moved that **HB 382,** as amended, be passed.

On the roll call the votes was yeas 76-Adams, Allen, Arnold, Barrows, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Head, Heleringer, Holbrook, Holloway, Isler, Kenton, Kidd, Layman, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Yates. Nays 12-Bennett, Blythe, Cawood, J. Clarke, Freibert, Haering, Hancock, Jones, LeMaster, O'Brien, Williams, Wright.

HB 382, as amended, was passed and the title agreed to.

Representative Bruce moved that the vote by which **HB 382,** as amended, was passed be reconsiderd and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

Speaker Pro Tempore Hancock presiding.

Representative Isler moved that the rules be suspended for the purpose of recording vote. Agreed.

Representative Isler moved that he be recorded as voting "yea" on **HB 63, HB 71,** and **HB 137.** Agreed.

Representative Brown moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Brown moved that he be recorded as voting "yea" on **HB 278.** Agreed.

Representative Blair moved the adoption of the the following Legislative Citation No. 26:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Phil Simms, son of Mr. and Mrs. William Simms, Louisville, Kentucky and Gary Shirk, son of Mr. and Mrs. Dewey Shirk, Richwood, Ohio, graduates of Morehead State University, 1973 and 1979 for your outstanding athletic accomplishments. As members of the New York Giants National Football League, you brought great honor to your school, the Commonwealth of Kentucky and your coach, Mr. Ray Perkins. "Phil Simms and Gary Shirk Day", February 16, 1980 sponsored by Morehead State University and the city of Morehead, Kentucky bestows upon you ultimate recognition. This honorable body salutes you for your dedication and great accomplishments. We commend you for your years of athletic endeavors on the High School, University and National levels. (Sponsored by Representative Blair)

Agreed.

Representative Blair moved the adoption of the following Legislative Citation No. 27:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes the Paintsville Tri-County Yankee baseball team as you start the third year of professional baseball in June, 1980. Mr. Paul G. Fyffe, president and general manager of WSIP Radio in Paintsville and President of the Paintsville Tri-County Yankees, was responsible for professional baseball coming to Kentucky and Paintsville Tri-County area. After having a successful beginning in 1978 with the Paintsville Hilanders, the New York Yankees decided to put a team in the Appalachian League and thought the Paintsville Tri-County area was the best location. Your team, the Yankees of the Appalachian League, easily won the pennant in 1979. You are blessed with superb talent—field manager, Bill Livesay and coaches, Stan Saleski and Mike Notaro. Congratulations to first baseman, Randy Guerra, third baseman Ottis Nixon, right fielder Rob Teegarden, Pitchers Frank Ricci and Pete Filson for being selected to the League's All Star Team. This prestigious body wishes you continued success as you begin your 1980 season. (Sponsored by Representative Blair)

Agreed.

Representative Maynard moved that the vote on **HB 190** be reconsidered.

On the roll call the vote was yeas 49-Allen, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Curd, Cyrus, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Head, Heleringer, Holloway, Layman, Lewis, List, Mann, May, Maynard, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, B. Richardson, Riner, Smith, Stumbo, Thomas, White, Wilborn, Williams. Nays 9-Dunn, Ellington, Farrow, Guenthner, Romines, Stone, Turner, Van Horn, Yates.

The motion that the vote on **HB 190** be reconsidered was rejected.

Representative Rapier moved the adoption of the following Legislative Citation No. 28:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Mr. and Mrs. Olie Hutchins of Bardstown, Kentucky on your sixtieth Wedding Anniversary, February 17, 1980. The beautiful years of love sharing, joy giving and dreams come true make this a grand and glorious celebration. You have been blessed with two sons, Joseph L. Hutchins, Elmhurst, Illinois, Francis R. Hutchins, Bardstown, Kentucky; one daughter, Mrs. Hamilton (Dorothy) Barnett, Bardstown, Kentucky; eighteen lovely grandchildren and one great-grand child. God bless your years ahead with tender ties of lasting love and happiness. Our best wishes always. (Sponsored by Representative Rapier)

Agreed.

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to Committee Substitute to **HB 86,** by Representative DeFalaise is as follows:

Amend printed copy of Committee Substitute to **HB 86,** on page 1, by inserting after line 14 the following:

"*(3) Nothing in this section shall be construed to prohibit the spanking of a child if such spanking is reasonable under the facts and circumstances.*"

and on line 15, by deleting "*(3)*" and inserting in lieu thereof "*(4)*".

Floor Amendment No. 1 to **HB 125** by Representative Riner is as follows:

Amend printed copy of **HB 125** on page 1, line 5, by inserting after the word "abortion," the following new language: "No public funds shall be used for the purpose of conducting research into or for the performance of in-vitro fertilization, which is a procedure involving the destruction of live human fetuses."

Floor Amendment No. 1 to **HB 155** by Representative Allen is as follows:

Amend printed copy of **HB 155,** page 8, line 15, by deleting "$125" and insert in lieu thereof "$75";

and on page 9, line 24, delete "$40" and insert in lieu thereof "$20";

and on page 14, line 7, delete "$60" and insert in lieu thereof "$30".

Floor Amendment No. 2 to **HB 261** by Representative Blandford is as follows:

Amend printed copy of **HB 261** on page 1, line 6, by inserting after the word "gun" the following language:

"or during the breeding or whelping season of the red fox as determined by the department"

Floor Amendment No. 4 to **HB 322** by Representative Priddy is as follows:

Amend printed copy of **HB 322,** page 2, line 26, by inserting a new subsection:

"(d) Has furnished evidence of having at least twenty-four (24) months experience teaching in a barber school including administrative experience in such school."

and on line 26, by deleting "(d)" and inserting in lieu thereof "(e)".

Representative Barrows moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 542, by Representatives Blythe and List: AN ACT relating to sales and use tax.

HB 543, by Representatives Head, Foster, and Cawood: AN ACT relating to fire departments.

HB 544, by Representatives Richards, Holbrook, and Holloway: AN ACT relating to public utilities.

HB 545, by Representative Priddy: AN ACT relating to taxes.

HB 546, by Representative Holbrook: AN ACT relating to crimes and punishments.

HB 547, by Representative Farrow: AN ACT relating to urban services.

HB 548, by Representative Yates: AN ACT relating to psychologists.

HB 549, by Representatives Yates and Priddy: AN ACT relating to county policemen.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Education: **HB 378.**

State Government: **HB 453, HB 437, HR 49.**

Appropriations and Revenue: **HB 160, HB 499.**

Elections and Constitutional Amendments: **HB 213, HB 438, HB 270, HB 228, HB 14.**

Business Organizations and Professions: **HB 466.**

Report of Committees

The Committee on Health and Welfare reported **HB 53,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 53, AN ACT relating to substances harmful to human health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

(1) No person shall distribute or sell, or cause to be distributed or sold, within the Commonwealth, any glue, cement, or paint containing a solvent or chemical having the property of releasing toxic vapors or fumes which when inhaled may cause a condition of intoxication, inebriation, or stupefaction unless there has been added to such glue, cement, or paint a sufficient quantity of allyl isothiocyanate (oil of mustard) or some other equally effective additive, approved by the commissioner of the bureau for health services, which shall act as a deterrent against smelling or inhaling of vapors or fumes, and not be harmful or toxic to the human body.

(2) Any person who violates the provisions of subsection (1) of this section shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

The Committee Substitute to **HB 53** is as follows:

HB 53, AN ACT relating to substances harmful to human health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

"Volatile substance" means any glue, cement, or paint or other substance containing a solvent or chemical having the property of releasing toxic vapors or fumes which when inhaled may cause a condition of intoxication, inebriation, stupefaction, dulling of the brain or nervous system, or distortion or disturbance of the auditory, visual, or mental processes.

(2) It shall be unlawful for any person to intentionally smell or inhale the fumes of any volatile substance, or to induce any other person to do so for the purpose of inducing a condition described in subsection (1) of this section.

(3) No person shall sell or offer for sale, deliver or give any volatile substance to any person under circumstances where one should reasonably know that the volatile substance will be used in violation of subsection (2) of this section.

Section 2. KRS 217.993 is amended to read as follows:

(1) Any person violating any provisions of KRS 217.650 to 217.710 *or Section 1(2) of this Act* shall be guilty of a misdemeanor and shall on conviction be subject to a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisonment for not more than thirty (30) days, or both. Each day of violation shall constitute a separate offense.

(a) Any person found guilty of inhaling a volatile substance in violation of Section 1(2) of this Act may be ordered to a facility designated by the secretary of the department for human resources, where a program of education, treatment and rehabilitation not to exceed ninety (90) days in duration shall be prescribed. The person ordered to the facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If without good cause, the person fails to appear at the designated facility within the specified time, or if any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in

his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment or may order a fine not to exceed one hundred dollars ($100). Upon discharge of the person from the facility by the clinical director or his designee prior to the expiration of the ninety (90) day period or upon satisfactory completion of ninety (90) days of treatment, the person shall be deemed finally discharged from sentence. The clinical director or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which a person may be ordered under this section.

(c) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(d) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment by patients and others for services rendered by the department for human resources unless the facility shall arrange otherwise.

(e) None of the provisions of this section shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(2) Any person violating any provision of Section 1(3) of this Act shall be guilty of a felony and on conviction shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000), or both.

The Committee on Business Organizations and Professions reported **HB 15,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 15, AN ACT relating to boxing and wrestling.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 229.171 is amended to read as follows:

The commission shall have and hereby is vested with the sole direction, management, control and jurisdiction over all *professional* boxing, sparring and wrestling matches or exhibitions[, professional as well as amateur,] to be conducted, held or given within the Commonwealth. The commission is hereby given the sole control, authority and jurisdiction over all licenses to hold *professional* boxing, sparring or wrestling matches or exhibitions for prizes or purses or where an admission fee is received, and over all licenses to any and all persons who participate in such boxing, sparring or wrestling matches or exhibitions.

Section 2. KRS 229.061 - Permits for schools and charitable organizations - is repealed.

The Committee Substitute to **HB 15** is as follows:

HB 15, AN ACT relating to boxing and wrestling.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 229.061 is amended to read as follows:

(1) The commission *shall* [may] issue a permit, without the payment of any taxes or license, to any accredited college, university, school, Young Men's Christian Association, Young Men's Hebrew Association or organization which in the judgment of the commission is of like character, to hold boxing or wrestling matches or exhibitions upon a sufficient showing that the matches or exhibitions are to be held by and between bona fide students or members of such accredited colleges, universities, schools, Young Men's Christian Associations, Young Men's Hebrew Associations, or organizations which in the judgment of the commission are of like character. [The commission may also issue a permit, without payment of taxes or license, to any organization to hold a boxing or wrestling match or exhibition under the sanction of the Kentucky Association of the Amateur Athletic Union of the United States or the American Olympic Association.] No boxer or wrestler who has received any fee, purse or other compensation shall be eligible to appear in any match or exhibition sponsored by any such institution, association or organization.

(2) Any regularly organized post of the American Legion, and any organization operating solely for charitable purposes from which no individual, partnership or corporation derives any monetary gain, may hold

boxing or wrestling matches or exhibitions without the payment of the license fee prescribed by KRS 229.071. Any post of the American Legion or other organization holding matches or exhibitions under this section shall be subject to the provisions of KRS 229.031 and 229.051.

(3) No match permitted by (1) and (2) may be conducted without a permit to hold the specific match and accompanying program of events at a specified location on a specified date.

Section 2. KRS 229.171 is amended to read as follows:

The commission shall have and hereby is vested with the sole direction, management, control and jurisdiction over all boxing, sparring and wrestling matches or exhibitions, professional as well as amateur, to be conducted, held or given within the commonwealth, *with the exception of amateur boxing and wrestling matches or exhibitions sanctioned by the Kentucky association of amateur athletic union of the United States, the American olympic association, the national collegiate athletic association, the United States wrestling federation, the Kentucky high school athletic association, and the salvation army boys' clubs.* The commission is hereby given the sole control, authority and jurisdiction over all licenses to hold boxing, sparring or wrestling matches or exhibitions, *except as exempted in this section,* for prizes or purses or where an admission fee is received, and over all licenses to any and all persons who participate in such boxing, sparring or wrestling matches or exhibitions.

Announcements

The following meetings were announced.

Appropriations and Revenue: February 19, 1980, 1:30 p.m., Room A.

Appropriations and Revenue: Joint Committee, Budget request hearing, Subcommittee on Energy, February 15, 11:00 a.m. Room A.

Adjournment

Representative Barrows moved that the House adjourn until 10:00 a.m., Friday, February 15, 1980.

On the roll call the vote was yeas 53-Adams, Allen, Barrows, Bendl, Bennett, Blair, Blythe, Boswell, Bruce, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Freibert, Fryman, Gray, Hancock, Holbrook, Holloway, Johnson, Kidd, List, Mann, May, McBee, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, B. Richardson, P. Richardson, Smith, Stumbo, Thomas, Turner, Van Horn, Wilborn, Worthington. Nays 3-Guenthner, LeMaster, Schmidt.

The motion to adjourn was adopted.

FRIDAY, FEBRUARY 15, 1980

TWENTY-FIFTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Father J. Williamson Brown, Jr., Church of the Ascension, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Blythe, Head, Holloway, Lewis, O'Brien, Robinson and Stumbo.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 14, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 550, by Representative LeMaster: AN ACT relating to the common school foundation program.

HB 551, by Representative Gray: AN ACT relating to the right of teachers to negotiate through professional organizations.

HB 552, by Representative Richards: AN ACT relating to gifted and talented education programs.

HB 553, by Representative Arnold: AN ACT relating to school term.

HB 554, by Representatives Bennett, Dunn, and Haering: AN ACT relating to credit unions.

HB 555, by Representative Mann: AN ACT relating to alcoholic beverage control.

HR 63, by Representative Kidd: A RESOLUTION recognizing National Negro History Week and adjourning in commemoration thereof.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **SB 76.**

Appropriations and Revenue: **HB 539, HB 542.**

Banking and Insurance: **HB 535, HB 540.**

Business Organizations and Professions: **HB 538.**

Cities: **HB 543, SB 20.**

Counties and Special Districts: **HB 534, HB 545, HB 547, HB 549, SB 44.**

Education: **SB 146.**

Energy: **HB 544.**

Health and Welfare: **HB 541, HB 548.**

Judiciary: **HB 533, HB 546, SB 118, SB 119.**

Natural Resources and Environment: **HB 536.**

State Government: **SB 147, HR 62.**

Transportation: **HB 537, SB 1.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

State Government: **HR 61.**

Business Organizations and Professions: **HB 414.**

Education: **SB 91.**

Counties and Special Districts: **HB 235, SB 13, SB 45.**

Report of Committees

The Committee on Rules reported **HB 125, HB 179, HB 324, HB 350,** and **HB 353** have been posted for passage in Orders of the Day, February 20, 1980.

The Committee on Transportation reported **HB 47** and **HB 388,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 47, AN ACT relating to road construction and reconstruction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 176.121 is amended to read as follows:

The bureau of highways may cause any road construction or reconstruction to be done by employes of the bureau instead of through contractors when, in the opinion of the commissioner as expressed in an official order, any of the following conditions is found to exist:

(1) Emergency construction or reconstruction is made necessary by the fact that a road has been rendered unusable or the urgency of need for construction or reconstruction is apparent.

(2) Construction or reconstruction of access roads would serve as an inducement to industrial location or substantial expansion of industry, and the estimated cost of the project is less than *one hundred twenty-five* [fifty] thousand dollars *($125,000)* [($50,000)].

(3) The project involves: an existing road and provides for such work as improvement of sight distance, traffic marking, channelization or the addition or widening of traffic lanes or widening of shoulders; or construction, reconstruction, widening or strengthening of small bridges and projects for which preparation of detailed plans required to secure bids is unnecessary; or an emergency need does not allow for time for preparation of plans and advertisement for bids.

(4) No satisfactory bid is received for the construction or reconstruction of the road after all necessary steps have been taken to obtain bids for such work, and the estimated cost of the projects is less than *one hundred twenty-five* [fifty] thousand dollars *($125,000)* [($50,000)].

HB 388, AN ACT relating to the Kentucky state police.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 16 IS CREATED TO READ AS FOLLOWS:

The bureau of state police shall permit payroll deductions of dues to the Kentucky state police professional association when authorized in writing by the officer requesting the payroll deduction.

The Committee Amendment No. 1 to **HB 388** is as follows:

Amend printed copy of **HB 388**, page 1, line 4, after the word "to," delete the word "the" and insert the word "a" in lieu thereof.

Calendar

SB 29, HB 380, HB 50, HB 87, HB 126, HB 229, HB 231, HB 318, HB 356, HB 385, HB 396, HB 163, HB 239, HB 344, HB 261, HB 53, and **HB 15** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 332, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Floor Amendment No. 4 to **HB 332.** Agreed.

Representative Petty moved that **HB 332,** as amended, be passed.

On the roll call the vote was yeas 70-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Heleringer, Holbrook, Isler, Johnson, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Nett, Noe, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, Romines, Schmidt, Smith, Stone, Thomason, Turner, Van Horn, Weinberg, White, Williams, Yates. Nays 14-DeMarcus, Ellington, Haering, Hancock, Layman, McNutt, Rattliff, P. Richardson, Riner, Thomas, Tobin, Wilborn, Worthington, Wright.

HB 332, as amended, was passed and the title agreed to.

Representative Petty moved that the vote by which **HB 332,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 346 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adams moved that **HB 346** be passed.

On the roll call the vote was yeas 77-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, May, Maynard, McBee, McKinney, Moberly, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Stone, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 10-Barrows, Cawood, Clarke, Hancock, Mann, McNutt, Noe, Smith, Tobin, Wright.

HB 346 was passed and the title agreed to.

Representative Adams moved that the vote by which **HB 346** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 155, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 155** be passed.

Representative Allen moved the adoption of the Floor Amendment No. 1 to **HB 155.**

On the roll call the vote was yeas 25-Allen, Bronger, Burnette, Davenport, Dawahare, DeFalaise, DeMarcus, Ellington, Freibert, Fryman, Guenthner, Haering, Heleringer, Holbrook, Layman, McKinney, McNutt, Plummer, Rattliff, Riner, Schmidt, Tobin, Turner, Wright, Yates. Nays 52-Adams, Arnold, Barrows, Bendl, Blair, Blandford, Boswell, Brinkley, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Deskins, Dunn, Farrow, Gray, Hancock, Hines, Isler, Johnson, Jones, Kenton, LeMaster, List, Little, Lundergan, May, Moberly, Morris, Noe, Overstreet, Pearman, Petty, Rapier, Richards, B. Richardson, P. Richardson, Smith, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Williams, Worthington.

The motion that Floor Amendment No. 1 to **HB 155** be adopted was rejected.

On the roll call the vote was yeas 62-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Brinkley, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Deskins, Dunn, Farrow, Foster, Gray, Guenthner, Hancock, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, May, Maynard, Moberly, Morris, Nett, Noe, Patrick, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Williams, Worthington. Nays 19-Allen, Blandford, Boswell, Bronger, Burnette, DeMarcus, Ellington, Freibert, Fryman, Haering, Layman, McBee, McNutt, Pearman, Plummer, Riner, Tobin, White, Wright.

HB 155 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 155** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Senate Message

Announcing passage of **SB 108, SB 134,** and **HCR 9.**

Motions, Petitions and Communications

Representative Burnette moved that he be recorded as voting "yea" on **HB 346.** Agreed.

Speaker Pro Tempore Hancock presiding.

Representative Maynard moved that the rules be suspended for the purpose of making a motion to reconsider a Bill.

On the roll call the vote was yeas 58-Adams, Arnold, Bendl, Bennett, Blandford, Boswell, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Foster, Freibert, Gray, Heleringer, Hines, Holbrook, Isler, Kenton, Kidd, Layman, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, Patrick, Pearman, Petty, Priddy, Rapier, B. Richardson, Riner, Romines, Sale, Smith, Stone, Thomas, Thomason, Weinberg, White, Wilborn, Williams. Nays 11-Blair, Craddock, Ellington, Farrow, Fryman, Guenthner, McNutt, Richards, Schmidt, Van Horn, Yates.

The motion that the rules be suspended was adopted.

Representative Maynard moved that the vote on **HB 190** be reconsidered.

On the roll call the vote was yeas 57-Allen, Barrows, Bendl, Bennett, Blandford, Boswell, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Foster, Freibert, Gray, Hancock, Heleringer, Hines, Holbrook, Isler, Layman, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, B. Richardson, Romines, Sale, Smith, Thomas, Thomason, Weinberg, White, Wilborn, Worthington. Nays 7-Blair, Ellington, Farrow, Guenthner, McNutt, Stone, Van Horn.

The motion that the vote on **HB 190** be reconsidered was adopted.

Representative Maynard moved that **HB 190** be placed in Orders of the Day for February 20, 1980.

Representative Van Horn moved that Representative Maynard's motion be amended to place **HB 190** in Orders of the Day for March 15, 1980. Rejected.

On the roll call the vote was yeas 44-Bendl, Bennett, Boswell, Bronger, Brown, Burch, Caldwell, Cawood, Clark, Clarke, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Foster, Gray, Heleringer, Hines, Holbrook, Isler, Kidd, Layman, List, Little, Lundergan, Mann, May, Maynard, Moberly, Nett, Noe, Patrick, Petty, Plummer, Priddy, Rapier, B. Richardson, Sale, Smith, Weinberg, Wilborn, Williams, Worthington. Nays 22-Adams, Arnold, Blair, Brinkley, Burnette, Clapp, Crupper, DeMarcus, Ellington, Farrow, Freiberg, Fryman, Guenthner, Jones, McBee, Overstreet, Richards, Schmidt, Stone, Thomas, Van Horn, White.

The motion that **HB 190** be placed in Orders of the Day, February 20, 1980, was adopted.

HB 190 placed in Orders of the Day for February 20, 1980.

Representative Kidd moved that the rules be suspended for the purpose of acting upon a Resolution. Agreed.

Representative Kidd moved the adoption of the following **HR 63:**

HR 63, A RESOLUTION recognizing National Negro History Week and adjourning in commemoration thereof.

WHEREAS, history has recognized the accomplishments of Booker T. Washington, leader in education and founder of Tuskegee Institute; George Washington Carver, who revolutionized the economy of the South with his discoveries; Langston Hughes, noted poet and author; Thurgood Marshall, U.S. Supreme Court Justice; Dr. Charles Richard Drew, noted surgeon and pioneer in the development of blood banks; James Baldwin, author and playwright; Alex Haley, author; Barbara Jordan and Shirley Chisholm, Congresswomen; and

WHEREAS, Black Americans have made many other outstanding contributions to the development of our great nation; and

WHEREAS, the week of February 11 through February 17, 1980, has been declared National Negro History Week;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this body recognizes the contributions of our Black Americans.

Section 2. That on this day Friday, February 15, 1980, when the House adjourns, it does so in commemoration of National Negro History Week.

Representative Williams moved that the word "negro" be removed and "Afro-American" be inserted in **HR 63.**

Speaker Kenton presiding.

The Chair ruled Representative Williams' motion out of order.

On the roll call the vote was yeas 81-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HR 63 was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **HCR 9** had been examined and found correctly enrolled. **HCR 9** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions

HB 556, by Representatives Clarke and Bendl: AN ACT relating to insurance.

HB 557, by Representatives Van Horn and Bennett: AN ACT relating to education.

HB 558, by Representative DeFalaise: AN ACT relating to motor vehicles.

HB 559, by Representative Deskins: AN ACT relating to dams.

HB 560, by Representative Deskins: AN ACT relating to safe drinking water.

HB 561, by Representative Deskins: AN ACT relating to local noise ordinances.

HB 562, by Representative Arnold: AN ACT relating to oaths of office.

HB 563, by Representative Arnold: AN ACT relating to sheriffs.

HB 564, by Representative Arnold: AN ACT relating to care of prisoners.

HB 565, by Representatives P. Richardson and Arnold: AN ACT relating to the Kentucky State Police.

HB 566, by Representatives Deskins, Cawood, Stone, Brinkley, and Noe: AN ACT relating to surface coal mining.

HB 567, by Representative Van Horn: AN ACT relating to retail business.

HB 568, by Representatives Crupper, Rapier, P. Richardson, and Curd: AN ACT relating to purebred cattle shows.

HR 64, by Representatives Plummer, B. Richardson, Kenton, Overstreet, Allen, Blair, Brinkley, Bruce, Clapp, Cyrus, Davenport, Dawahare, Deskins, DeMarcus, Ellington, Fryman, Guenthner, Hancock, Holbrook, Jones, Layman, Little, Morris, Rattliff, Sale, Stone, Turner, and Van Horn: A RESOLUTION extending an invitation to Tom T. Hall and adjourning the House in his honor.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Business Organizations and Professions: **HB 513.**

Transportation: **HB 165.**

Agriculture and Small Business: **SB 76.**

Elections and Constitutional Amendments: **HB 386, HB 508.**

Cities: **HB 304, HB 305, SB 26, HB 432, HB 480, HB 511, HB 512, HB 517, HB 20.**

The Clerk announced the following Bill has been withdrawn from Committee consideration:

Cities: **HB 82.**

Motions, Petitions and Communications (continued)

Representative Plummer moved that he be recorded as voting "yea" on **HB 63.** Agreed.

Representative Morris moved that he be recorded as voting "yea" on **HB 332** and **HB 346.** Agreed.

Representative Bruce moved that **HB 526** be returned to the Committee on Committees for reassignment. Agreed.

Representative Gray moved that **HB 551** be withdrawn. Agreed.

The Speaker announced that a Writ of Election has been issued on this day to fill the vacancy of Breathitt 89.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Barrows, **HB 459;** Representative Brinkley, **HB 123;** Representative Cawood, **HB 137;** Representative Farrow, **HB 419;** Representative Isler, **HB 307;** Representative Romines, **HB 125, HB 364;** Representative Van Horn, **HB 554;** Representative Yates, **HB 277.**

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to **HB 62,** by Representative Kidd, is as follows:

Amend printed copy of **HB 62,** page 5, line 22, by deleting "shall" and inserting in lieu thereof "may"

Floor Amendment No. 2 to Committee Substitute to **HB 86,** by Representative Bendl, is as follows:

Amend printed copy of Committee Substitute for **HB 86,** page 1, line 9, by deleting the words "*Any person*" and inserting in lieu thereof the words "*When he has reasonable grounds to believe that if the person is not arrested he will present a danger or threat of danger to others if not immediately restrained and in addition*"

And on line 9, following the word "*believing*" by inserting the words "*that said person*"

And on line 11, by deleting all the words following the word "*stepchild*" and by deleting lines 12, 13 and 14 in their entirety.

Floor Amendment No. 3 to Committee Substitute to **HB 86,** by Representative Riner, is as follows:

Amend printed copy of Committee Substitute for **HB 86,** page 1, lines 8-14, by deleting subsection (2) of Section 1, in its entirety.

Floor Amendment No. 1 to **HB 190,** by Representative Maynard, is as follows:

Amend printed copy of **HB 190,** page 3, line 12, by adding the following section and language:

"Section 3. This Act shall become effective on January 1, 1982."

Floor Amendment No. 2 to **HB 190,** by Representative Clapp, is as follows:

Amend printed copy of **HB 190,** page 3, by adding a new Section 3:

The election of the mayor and board of aldermen in a city of the first class shall be certified and approved by the house of representatives.

Floor Amendment No. 1 to **HB 287,** by Representative B. Richardson, is as follows:

Amend printed copy of **HB 287,** page 4, lines 1 and 2, by deleting said lines and inserting in lieu thereof the following:

"*exceed the amount paid to a majority of all of the commissioners of state government.*"

The following announcements were made:

Joint Appropriations and Revenue: Budget Review on Development, February 20, 10 a.m., Room A.

Education: Wednesday, 12 noon.

Cities: Thursday, on adjournment; Room A.

Appropriations and Revenue: Budget hearing, Tuesday, 8 a.m.

Adjournment

Representative B. Richardson moved that the House adjourn until 2 p.m., Wednesday, February 20, 1980.

On the roll call the vote was yeas 78-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, List, Little, Lundergan, Mann, May, Maynard, McKinney, Moberly, Morris, Nett, Noe, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 7-Dawahare, DeFalaise, Deskins, Guenthner, LeMaster, McBee, Wright.

The motion to adjourn was adopted.

WEDNESDAY, FEBRUARY 20, 1980

TWENTY-SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend John W. Jones, First Baptist Highland Church, Winchester, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Guenthner, Sale and Tobin.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 15, 1980, be dispensed with and the same approved. Agreed.

Representative B. Richardson moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Overstreet moved the adoption of the following **HR 64:**

HR 64, A RESOLUTION extending an invitation to Tom T. Hall and adjourning the House in his honor.

WHEREAS, Tom T. Hall, one of eleven children and the son of a minister, rose from the relative obscurity of Olive Hill, Kentucky to become an international country music celebrity; and

WHEREAS, it has been said that Tom T. Hall is to modern country music what Ernest Hemingway is to modern American Literature; and

WHEREAS, the compositions penned by Tom T. Hall are realistic and yet, still possess a strong dose of sentimentality—they are enduring; and

WHEREAS, many of Tom T. Hall's works speak to the vulnerability of the human condition; and

WHEREAS, Tom T. Hall has changed, influenced, and in many ways determined the course of modern country music, continually establishing new directions in the field; and

WHEREAS, words like "creative", "word genius", "poet", and "storyteller" are characteristic of this gifted balladeer whose songs are perpetually listed in the top ten, many of which climb to the number one spot on the music charts; and

WHEREAS, Tom T. Hall's career record boasts of eleven number one songs, ten top five songs, and seventeen albums; and

WHEREAS, Tom T. Hall's works include the legendary "Ballad of Forty Dollars", "I Washed My Face in the Morning Dew", "Harper Valley P.T.A.", "D.J. for a Day", "The Year Clayton Delany Died", and "I Love"; and

WHEREAS, that Golden City of Nashville is a city which draws countless numbers of musicians with lofty dreams of success and grandeur, but allows only a precious few to partake of its wealthy fruits; and

WHEREAS, Tom T. Hall is one of the select few who has conquered the city of Nashville, rising from the ranks of a struggling writer earning $50 per week in 1964 and reaching the apex of country music stardom by being inducted into the prestigious Songwriter's Hall of Fame in 1978 for his contributions to the world of music; and

WHEREAS, this remarkable man known as Tom T. Hall is perhaps best characterized by an inscription which is found on a plaque erected in his honor in his hometown of Olive Hill, Kentucky:

> "Olive Hill is the birthplace of Tom T. Hall. Born to Reverend Virgil L. and Della Lena Hall, he used his God-given talents to become famed as one of America's balladeers, telling in music the story of the common folk and the daily happenings which color their lives. A recording artist of international stature, a member of the Grand Ole Opry, and a country music songwriter/performer of note, he never forgot that he came from the soil and always treated his fellow man as friend and neighbor.";

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this House hails Tom T. Hall as an Outstanding Kentuckian, as well as an exemplary representative of the Commonwealth of Kentucky.

Section 2. That Tom T. Hall is hereby extended an invitation to appear before this body on Wednesday, February 20, 1980.

Section 3. That when the House adjourns on Wednesday, February 20, 1980, it do so in honor of Tom T. Hall.

Section 4. That the Clerk of the House be directed to transmit a copy of this resolution to Tom T. Hall, Outstanding Kentuckian and Friend to all Mankind.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HR 64 was adopted.

Tom T. Hall addressed the House.

Announcing passage of **SB 6, SB 143, SB 156,** and **SB 10.**

Report on Enrolled Bills

HCR 9 delivered to the Senate, signed by President. Ordered delivered to the Governor.

Introduction of Bills and Resolutions

HB 569, by Representative Boswell: AN ACT relating to property taxes.

HB 570, by Representatives Stone and Foster: AN ACT relating to small claims division of district court.

HB 571, by Representative DeFalaise: AN ACT relating to banks.

HB 572, by Representative DeFalaise: AN ACT relating to acquisition, use, control and disposition of property.

HB 573, by Representatives LeMaster and B. Richardson: AN ACT relating to judicial retirement and making appropriations therefor.

HB 574, by Representative B. Richardson: AN ACT relating to retirement benefits.

HB 575, by Representative LeMaster: AN ACT relating to law enforcement agency records.

HB 576, by Representative B. Richardson: AN ACT relating to state investment income.

HB 577, by Representatives Riner and Ellington: AN ACT relating to matter which is harmful for minors.

HB 578, by Representatives Gray and Clapp: AN ACT relating to parent and child.

HB 579, by Representative Schmidt: AN ACT relating to insurance.

HB 580, by Representative Noe: AN ACT relating to penalty for failure of witness to appear.

HB 581, by Representative Little: AN ACT relating to motor vehicle and housetrailer permits.

HB 582, by Representative Little: AN ACT relating to aviation.

HB 583, by Representative Little: AN ACT relating to motor carriers.

HB 584, by Representative Little: AN ACT relating to motor vehicle registration.

HB 585, by Representatives Yates and Haering: AN ACT relating to fiscal courts.

HB 586, by Representatives Mann, Donnermeyer and Petty: AN ACT relating to alcoholic beverage control.

HB 587, by Representatives White and Van Horn: AN ACT relating to insurance.

HB 588, by Representative Pearman: AN ACT relating to plumbers and plumbing.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 568.**

Banking and Insurance: **HB 554, HB 556.**

Business Organizations and Professions: **HB 555, HB 567.**

Counties and Special Districts: **HB 562, HB 563, HB 564.**

Education: **HB 550, HB 552, HB 553.**

Elections and Constitutional Amendments: **HB 557.**

Natural Resources and Environment: **HB 559, HB 560, HB 561, HB 566.**

State Government: **SB 108, SB 134, HB 526.**

Transportation: **HB 558.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Transportation: **HR 52.**

Business Organizations and Professions: **HB 461.**

Report of Committees

The Committee on Rules reported **HB 50, HB 87, HB 229, HB 269, HB 385, HB 394, HB 396, HR 38, SB 29, SB 40,** and **SB 43** have been posted for passage in Orders of the Day, February 21, 1980.

The Committee on Appropriations and Revenue reported **HB 147,** with Second Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Second Committee Substitute to **HB 147** is as follows:

HB 147, AN ACT relating to legislative approval of certain state fiscal obligations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 56 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the board of a state college or university shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 2. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 56 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 3. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, any department or agency of the state government shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 4. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the capital plaza authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 5. A NEW SECTION OF KRS CHAPTER 58 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 58 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Churchill Downs authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 65 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, any agency of the state government shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 7. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 117 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission or its successor shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce

revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 8. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 148 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Breaks Interstate Park commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 9. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 148 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Falls of the Ohio Interstate Park commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts produced by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 10. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 151 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the water resources authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 11. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 154 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky development finance authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 12. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 157 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky school building authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 13. A NEW SECTION OF KRS CHAPTER 162 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 162 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state property and buildings commission shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 164 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the board of trustees of the University of Louisville shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained

from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 15. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 164A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky higher education student loan corporation shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 16. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 175 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the turnpike authority of Kentucky shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 17. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 177 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the bureau of highways shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the projects, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of

the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 18. A NEW SECTION OF KRS CHAPTER 180 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 180 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the bureau of highways shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 19. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 198A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky housing corporation shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 20. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 216 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky health and geriatrics authority shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 21. A NEW SECTION OF KRS CHAPTER 224A IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 224A to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the Kentucky pollution abatement authority shall first obtain

approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 22. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 247 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the state fair board shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 23. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 183 to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, the department of transportation shall first obtain approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the project to be funded as well as the source and amount of funds, and by appropriation of the first full year's debt service. Approval to issue and sell a series of bond issues totaling a specified amount may be obtained from the general assembly by specifying in the proposed law or resolution that approval is being sought for a series of bond issues, of indeterminate individual amounts, totaling a specified sum.

(2) The provisions of subsection (1) of this section relating to the appropriation of the first full year's debt service shall not apply when the project for which funds are sought is certified to independently produce revenues sufficient to fully meet debt service so that no appropriation of state funds, other than the agency receipts provided by the project, either to the issuing agency or authority, or any other agency or authority, will be required. Such certification shall be made in writing by the commissioner of finance to the head of the issuing agency or authority with a copy to the governor and the legislative research commission. The certification shall accompany the bill or resolution when introduced for consideration by the general assembly.

SECTION 24. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any statutory provisions to the contrary, exclusive of the provisions set out in Sections 1 through 12 of this Act, no individual, agency, authority, board, cabinet, commission, corporation, or other entity of, or representing the Commonwealth of Kentucky, shall enter into any contract with any individual or agency, whether private or governmental, when the satisfaction of said contract requires, or could require, the appropriation of state funds not yet appropriated, without first obtaining approval of the general assembly sitting in regular or special session. This approval shall be by an enactment of the general assembly, either in the form of a law or a joint resolution, which shall identify the contract, its nature and purpose, and the potential liability of the state if the contract is executed. The joint resolution shall also provide by appropriation for the first year's fiscal obligation.

SECTION 25. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

In those cases where a session of the general assembly prior to the 1980 session of the general assembly has authorized a debt ceiling for a particular agency, authority, board, cabinet, commission, corporation, or other entity of the Commonwealth of Kentucky, the issuance and sale of definitive bonds or temporary bonds necessary and sufficient to attain that debt ceiling shall be exempt from the provisions of this Act.

The Committee on Appropriations and Revenue reported **HB 283** and **HB 310** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 283, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. ACTS 1978 Chapter 138, Section 12, is amended to read as follows:
Sections 5 through 12 of this Act shall become effective on July 1, 1978[, and shall expire on June 30, 1980].

HB 310, AN ACT relating to the transfer of funds to and from public treasuries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO READ AS FOLLOWS:

(1) The state treasurer may withdraw funds from or deposit funds in the state treasury by means of electronic funds transfers. The treasurer shall obtain a payee's prior, written consent for the payment of funds due him from the state treasury by means of direct deposit rather than by means of a paper check issued to him. A single authorization may be granted for multiple payments to a payee by means of direct deposit.

(2) For the purpose of implementing this section and unless the context requires a different meaning, the term "check" as used in this chapter shall mean either a paper check or a paperless entry on an electronic data processing medium that substitutes for a paper check for the purposes of debiting or crediting an account and of which a permanent record is made.

Section 2. KRS 41.350 is amended to read as follows:

Cancelled checks of the state treasurer upon state depository banks *and permanent records of paperless entries debiting state accounts transmitted to the state treasurer by state depositories* shall[, after cancellation,] be preserved by the state treasurer for a period of seven (7) years. At the expiration of that period, unless required for the purpose of an action then pending, the checks shall be sold as waste paper or destroyed.

Section 3. KRS 160.560 is amended to read as follows:

(1) Each board of education shall elect a treasurer for the board. The board may elect its secretary to serve as treasurer. The board may remove the treasurer from office at any time for cause by a vote of a majority of the members of the board.

(2) The treasurer shall execute an official bond for the faithful performance of the duties of his office, to be approved by the local board and the state board of education. The bond shall be guaranteed by a surety company authorized to do business in this state, and shall be in an amount determined by the board of education in accordance with the rules and regulations of the state board of education. The premium on the bond shall be paid by the board of education. A copy of the bond shall be filed with the board of education and with the state board of education. All treasurer's bond forms shall be prepared by the superintendent of public instruction and approved by the state board of education.

(3) The treasurer shall receive all moneys to which the board is entitled by the constitution or by the statutes, except as otherwise provided by law, or which may in any way come into its possession, and deposit such funds in the properly designated depository. He shall withdraw such funds from the depository only upon proper order of the board. He shall keep a full and complete account of all funds in such manner and make such reports concerning them as is required by the board of education or by the state board of education. He shall preserve all records relating to the transactions and duties of the office and turn them over to his successor along with all public funds in his hands and all accounts and records after due and proper audit is made by a competent outside agent when he is required to do so by the board of education.

(4) The treasurer shall issue his check on the depository for payment of all legal claims which have been authorized for payment in accordance with rules and regulations previously adopted by the local board of education and approved by the state board of education.

(5) The treasurer may transfer funds from the depository, pursuant to subsection (4) of this section, by means of electronic funds transfers as well as by paper check, provided that the treasurer obtains a payee's prior, written consent for the payment of funds due him from the treasury by means of direct deposit rather than by means of a paper check issued to him. A single authorization may be granted for multiple payments to a payee by means of direct deposit.

(6) For the purpose of implementing subsection (5) of this section, the term "check" as used in subsection (4) of this section shall mean either a paper check or a paperless entry on an electronic data processing medium that substitutes for a paper check for the purposes of debiting or crediting an account and of which a permanent record is made.

The Committee on Counties and Special Districts reported **HB 235** with Committee Amendment attached thereto, **HB 359** with Committee Substitute attached thereto, **HB 360, HB 375, HB 376,** and **SB 13** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 235, AN ACT relating to service credit for retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.552 is amended to read as follows:

(1) Any employe of a department participating in the Kentucky employes retirement system, or any employe of an agency participating in the county employes retirement system, or any member of the state police retirement system, or any active contributing member of the teachers' retirement system or a contributing member of the judicial retirement system or an employe of a parted employer whose employment has previously been terminated and who has been refunded his accumulated contributions, thereby losing service credit, may regain such credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system provided, however, the provisions of KRS 161.470 must be met in order to regain such credit in the teachers' retirement system and provided further that KRS 21.460 shall govern with respect to regaining credit in the judicial retirement system. Such payment including interest as determined by the board shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member.

(2) Any employe of a county participating in the county employes retirement system or any former county employe who is an employe of a participating department in the Kentucky employes retirement system or a contributing member of the state police retirement system, teachers' retirement system, or judicial retirement system who did not elect membership in the county employes retirement system as provided in subsection (2) of KRS 78.540 may obtain credit in the county employes retirement system for prior service and for current service by paying to the county employes retirement system a delayed contribution payment for the service he would have received had he elected membership.

(3) Any employe of a participating department or any former state employe who is an employe of a county participating in the county employes retirement system or a contributing member of the state police retirement system, teachers' retirement system or judicial retirement system who did not elect membership in the Kentucky employes retirement system as provided in subsection (2) of KRS 61.525 may obtain credit in the Kentucky employes retirement system for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership.

(4) An employe of a participating department which did not participate in the system effective July 1, 1956, or any former state employe who is an employe of a county participating in the county employes retirement system or a contributing member of the state police retirement system, teachers' retirement system or judicial retirement system may obtain credit in the Kentucky employes retirement system for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956.

(5) An employe of a county participating in the county employes retirement system which did not participate in the system effective July 1, 1958, or any former county employe who is an employe of a department participating in the Kentucky employes retirement system or a contributing member of the state police retirement system, teachers' retirement system or judicial retirement system may obtain credit in the county

employes retirement system for current service between July 1, 1958, and the effective date of participation of his county by paying to the county employes retirement system a delayed contribution payment for the services he would have received had his county participated on July 1, 1958.

(6) Effective January 1, 1975, service credit obtained under subsections (1) to (5) of this section shall be disallowed and the recontribution of refund including interest as determined by the board and the delayed contribution payment, if any, shall be paid to the member, upon request, or in the event of his death to his properly designated beneficiary if the member does not obtain for service performed six (6) months current service credit in either the Kentucky employes retirement system, county employes retirement system, state police retirement system, teachers' retirement system, judicial retirement system, or as an employe of a parted employer.

(7) (a) Effective July 1, *1980* [1973], any county participating in the county employes retirement system may purchase current service, between July 1, 1958 and participation date of the county, for present employes of the county who *have obtained* [were employes on the participation date of the county and elected] coverage under KRS 78.540[(2)].

(b) Effective July 1, 1973, any department participating in the Kentucky employes retirement system may purchase current service between July 1, 1956 and participation date of the department, for present employes of the department who were employes on the participation date of the department and elected coverage under KRS 61.525(2).

(c) *Effective July 1, 1980, any county participating in the county employes retirement system may purchase current service between July 1, 1958 and the participation date of the county for former employes who were employed by the county on or after July 1, 1958 but before the county's participation date, KRS 78.540 notwithstanding.*

(d) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for such service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of such service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period.

(e)[(d)] If a county or department elects the provisions of this subsection any present employe who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsections (4) or (5) of this section shall have his payment for such service credit refunded with interest at the rate paid under KRS 61.575 or KRS 78.640.

(f)[(e)] Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.

(8) Interest paid by a member of the Kentucky employes retirement system, county employes retirement system, or state police retirement system under this section or other similar statutes under KRS 16.505 to 16.652 or 61.510 to 61.692 or 78.510 to 78.852 prior to June 19, 1976 shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.

The Committee Amendment No. 1 to **HB 235** is as follows:

Amend printed copy of **HB 235,** page 4, line 14, by inserting the word "*August*" after the word "Effective" and by placing brackets "[]" around the word "July"; and

On page 5, line 2, by deleting the word "*July*" and by inserting in lieu thereof the word "*August.*"

HB 359, AN ACT relating to county police.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 78.435, Political Activities Forbidden, is repealed.

The Committee Substitute to **HB 359** is as follows:

HB 359, AN ACT relating to county police.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 78.435 is amended to read as follows:

(1) No officer or employe covered by the provisions of KRS 78.400 to 78.460 shall directly or indirectly [give,] solicit or receive or be in any manner whatever concerned in [the giving,] receiving, soliciting or publicizing any assessment, gift, subscription or contribution to or for any political party or candidate for public office.

(2) [No individual, corporation, association or group of individuals shall orally or by letter or otherwise solicit or be in any manner concerned in soliciting or collecting any assessment, subscription, gift or contribution of any character for any political party or any candidate for public office from any officer or employe covered by any of the provisions of KRS 78.400 to 78.460.] No person shall use or promise to use his personal influence or official authority to secure any appointment or promotion to any position of employment covered by the provisions of KRS 78.400 to 78.460, as a reward or return for personal or partisan political service. No candidate applying for original appointment or promotion to any position of employment covered by KRS 78.400 to 78.460 shall sign or execute or promise to sign or execute a resignation dated or undated in advance of such appointment or promotion. No officer or employe covered by the provisions of KRS 78.400 to 78.460 shall be suspended, laid off, demoted, promoted, fined, disciplined or threatened, or in any way changed in rank, duty or compensation for withholding or neglecting to pay or make any contribution of any sort, or character, either in money, goods or services or anything of value for any political purpose whatsoever.

(3) [No person shall take part in preparing any political assessment, subscription or contribution with the intent that the same shall be sent or presented to or collected from any officer or employe covered hereby and no person shall knowingly send or present in any manner any such assessment, subscription, request for gift or contribution or request payment of any of the foregoing to or from any officer or employee covered by KRS 78.400 to 78.460.

(4) No officer or employe covered by KRS 78.400 to 78.460 shall act as an officer of any political organization, be a member thereof or take an active part in any political campaign or serve as a member of any committee of any such political organization or circulate or seek signatures to any petition or official paper provided for by any primary or general election laws, or act as a worker for any political party, or act as a worker at the polls in favor of or opposed to any candidate for election or nomination to any public office whether federal, state, county or municipal.

(5)] No examination question in any examination held by the board shall relate to any political or religious opinion, belief, affiliation or service and no appointment, promotion, demotion, suspension, fine or removal shall be brought about, effected, affected or influenced by such opinions, beliefs, affiliations or services.

(4)[(6)] No officer or employe covered by KRS 78.400 to 78.460 shall foster, promote, or be concerned with any actions involving political or religious controversies or prejudices *while in uniform.*

(5)[(7)] Nothing contained in KRS 78.400 to 78.460 shall be so construed as to abridge the rights of any officer or employe with respect to his or her personal opinions or beliefs or right to vote.

HB 360, AN ACT relating to county police merit boards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 78.440 is amended to read as follows:

(1) Every county police force merit system board created hereunder shall make, promulgate, and when necessary, amend rules for the qualifications, original appointment, promotion, demotion, transfer, layoff, reinstatement, suspension, fine and removal of the officers and employes covered by KRS 78.400 to 78.460. The board shall publish its rules and any amendments thereto by supplying a certified copy thereof to the county judge/executive, the fiscal court and the chief, and by posting a copy thereof conspicuously in the office or place where the headquarters of the county police is maintained. Said rules and amendments thereto shall be published in the manner prescribed within three (3) days after the adoption thereof.

(2) The rules in addition to other matters shall specifically provide for and cover the following:

(a) 1. Physical, mental, educational, citizenship and age requirements for new employes and officers.

2. Physical, mental, educational, citizenship and age requirements for new employes and officers and seniority requirements for promotion from lower to higher rank or classification.

3. [In counties containing cities of the first class a man serving as] A grade A patrolman must have three (3) years of service as a grade A patrolman before he may be eligible for the promotion to the rank of sergeant.

(b) 1. Open competitive written, oral and physical tests to determine the relative fitness of all candidates and examinations for original appointment and for promotion.

2. Public notices of examinations provided in subparagraph 1 of paragraph (b) and subparagraph 2 of paragraph (a) of this subsection.

(c) Temporary appointments in case of emergency.

(d) Organization and meetings of the board.

(e) Procedure and conduct of public hearings.

(3) [In counties containing cities of the first class] The board shall employ a chief examiner who shall be professionally qualified and experienced in the field of testing and who shall formulate, give, grade and administrate all written tests as required by the board. Said chief examiner shall report to the board the results of all tests given by him and he shall be solely responsible to the board. The chief examiner shall select a panel of four (4) members to conduct an oral examination of the applicants for promotion. The panel shall consist of two (2) persons of a supervisory capacity from the same classified service as the applicant and two (2) persons from an outside agency or agencies in the same field. The chief examiner shall compile the grades of all applicants based upon the percentages as set out below and shall deliver, in a sealed envelope, the scores of all applicants for promotion to the chairman of the board. The chief examiner shall not reveal to anyone the results of said tests other than in the manner set forth herein.

(4) Physical fitness for promotion is presumed unless certified to the contrary by the chief of police who shall supply the board with medical records of the disability.

(5) At least ninety (90) days' notice shall be given before the promotional examination is conducted.

(6) The grading of promotional tests shall be as follows: *55* [60] per cent for written examination; *(30)* [5] per cent for oral examination; *(1)* [20] per cent for *each year in* seniority *in grade, not to exceed 15 per cent*[; and 15 per cent for efficiency].

HB 375, AN ACT relating to pensions in urban county governments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67A.440 is amended to read as follows:

(1) Upon death of a member due to occupational causes, regardless of length of service, his surviving widow shall be entitled immediately upon cessation of salary to an annuity equal to sixty percent (60%) of the member's last rate of salary. This annuity shall be payable until she dies or remarries. In addition, if *any* minor children *of the member*, under age eighteen (18), survive the member, the widow *or parent or legal guardian* shall receive on account of each child, ten percent (10%) of the member's last rate of salary until each child attains age eighteen. [(18), or,] In the case of a child regularly engaged in full-time educational activities, *payments shall continue until age twenty-three (23), but payments shall be made directly to a child between the ages of eighteen (18) and* [the age of] twenty-three (23). The combined payments to a widow and minor children shall not exceed seventy-five percent (75%) of his final rate of salary. *When more than one child survives the member, the amount payable by reason of such children shall be divided equally among them.*

(2) *If the member is not survived by a widow, or, if she remarries, and there are minor children of the member, the following benefits shall be paid:*

(a) One (1) minor child, fifty percent (50%) of the final rate of salary;

(b) Two (2) minor children, an additional fifteen percent (15%) of final salary;

(c) Three (3) or more minor children, an additional ten percent (10%) of final salary, subject to a maximum combined payment of seventy-five percent (75%) of the member's final rate of salary.

These benefits shall be divided in equal amounts for each child and paid to the parent or legal guardian of each child under eighteen (18). In the case of a child regularly engaged in full-time educational activities, payments shall continue until age twenty-three (23), but payments shall be made directly to the child between the ages of eighteen (18) and twenty-three (23). As eligibility of children expires, the total annuity payment shall be reduced by percentage amount in reverse order [If a widow does not survive the member, or if she remarries, and minor children under age eighteen (18) or between the ages of eighteen (18) and twenty-three (23) who are regularly engaged in educational activities exist, each child shall be entitled to an annuity equal to fifteen percent (15%) of the member's last rate of salary until each child attains age eighteen (18), or, in the case of a child regularly engaged in full-time educational activities the age of twenty-three (23) provided that the combined payments to such children shall not exceed fifty percent (50%) of the member's last rate of salary].

(3) If neither a widow nor minor children, eligible for benefits survive the member, each dependent parent shall be entitled to an annuity equal to twenty-five percent (25%) of the member's last rate of salary, or fifty percent (50%) to both parents.

Section 2. KRS 67A.450 is amended to read as follows:

(1) Upon death of a member occurring while in service, arising from any cause other than in the performance of duty, provided the member has had at least five (5) years of total service, his widow shall receive an annuity equal to one and one-half percent (1-½%) of average salary for each year of total service, credited to the member, but not less than fifteen percent (15%) of average salary, subject to the following conditions:

(a) The widow had been married to the member at least six (6) months prior to his death;

(b) The widow's annuity will terminate in any event when the widow remarries. The annuity of each child or children shall continue until each child attains age eighteen (18), or, in the case of a child regularly engaged in full-time educational activities the age of twenty-three (23).

(2) *If, in addition to a widow, minor children survive the member, an additional annuity shall be payable for such children equal to fifty percent (50%) of the amount of the widow's annuity for the first child, and twenty-five percent (25%) of the amount of the widow's annuity for each additional child, subject to a maximum combined payment for the widow and children of seventy-five percent (75%) of the members average salary. The annuity payable for minor children shall be divided and paid in equal amounts for each child to the parent or guardian of each child under eighteen (18), and directly to each child between the ages of eighteen (18) and twenty-three (23) who is regularly engaged in full-time educational activities. As eligibility of children expires, the total annuity payable for such children shall be reduced by percentage amount in reverse order* [If the widow has minor children under age eighteen (18), or in the case of a child regularly engaged in full-time educational activities the age of twenty-three (23), the annuity to the widow shall be increased one-half (½) on account of the first child and one-fourth (¼) on account of each additional such child, subject to a maximum combined payment to the widow and children of sixty percent (60%) of the final rate of salary].

(3) If the *member* [pensioner] is not survived by a widow *who qualifies under KRS 67A.450(1)(a)* and there are minor children the following benefits shall be paid: (a) one (1) minor child, fifty percent (50%), (b) two (2) minor children, fifteen percent (15%) additional, (c) three (3) or more minor children ten percent (10%) additional, subject to a maximum combined payment of seventy-five percent (75%) of the average salary as defined in KRS *67A.360(13)* [95.851(m)]. *The benefits payable for minor children shall be divided and paid in equal amounts for each child to the parent or legal guardian of each child under the age of eighteen (18), and directly to each child between the ages of eighteen (18) and twenty-three (23) who is regularly engaged in full-time educational activities.* The annuity of each child or children shall continue until each child attains age eighteen (18), or, in the case of a child regularly engaged in full-time educational activities the age of twenty-three (23). The annuity payments shall be reduced in reverse order, *as provided in subsection (2) of this section.*

(4) These benefits shall also be payable upon death of the member while on retirement, provided marriage was in effect for at least six (6) months before retirement.

Section 3. KRS 67A.470 is amended to read as follows:

(1) Upon total and permanent disability of a member as the result of any cause other than occupational disability, if a member shall have rendered at least five (5) years of total service, he shall be entitled to a disability retirement annuity. The amount of such annuity shall be equal to two and one-half percent (2 ½%) of the average salary, as defined in KRS 67A.360(13), for each full year of total service, subject to a minimum payment of twenty-five percent (25%) of such average salary and a maximum payment of *seventy-five* [sixty] percent *(75%)* [(60%)] of average salary. Payment of this annuity shall be made during disability of the member. Upon death of the member, if an eligible widow or minor children survive, such survivors shall be entitled to the regular annuities provided under KRS 67A.450.

(2) Any annuity for nonoccupational disability shall begin to accrue upon the expiration of ninety (90) days following the commencement of disability provided that if the member is receiving salary for sick leave for a period of more than ninety (90) days, payment shall accrue from the date such salary ceases. If written application for such annuity shall not have been filed with the board prior to the expiration of ninety (90) days from date of disability, the annuity shall begin to accrue from the date the application shall be filed but not prior to the expiration of ninety (90) days from the date of disability, nor in any event prior to the time when salary payments to the employee shall have ceased.

Section 4. KRS 67A.490 is amended to read as follows:

(1) Upon death of a member, occurring while in active service, if no widow's annuity, [or] children's annuities *or dependent parent annuities* are payable, the designated beneficiary of the member or his estate shall be entitled to a death benefit equal to the total contributions made by the member, without interest, or three hundred dollars ($300), whichever is greater.

(2) Upon death of a retired member, if no widow's annuity, [or] children's annuities *or dependent parent annuities* shall be due and payable, a death benefit shall be paid to the designated beneficiary or estate of the member, equal to the excess, if any, of the total contributions made by the member to this fund to the date of retirement, without interest, over the total annuity payments received by the member. The minimum payment in such case shall be three hundred dollars ($300). If a widow's annuity, [or] children's annuities *or dependent parent annuities* are payable after the death of the retired member, the amount of such

death benefit, if any, shall be determined upon termination of annuity payments to all survivors of the member, whether such termination occurs by death, remarriage or other cause.

HB 376, AN ACT relating to pensions in urban-county governments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67A.510 is amended to read as follows:

Each active member shall contribute a sum equal to *ten percent (10%)* [eight percent (8%)] of current salary. The director of finance of the government is hereby authorized to deduct such amount from the salary of each active member in semimonthly installments. This contribution shall be made as a deduction from salary, notwithstanding that the salary paid in cash to such member may be reduced thereby below the established statutory rate. Every member of the fund shall be deemed to consent and agree to the deduction from salary as herein provided, and shall receipt for his full salary, and payment to such member of salary less such deduction shall constitute a full and complete discharge and acquittance of all claims and demand whatsoever for the services rendered by such member during the period covered by such payment, except as to the benefits herein provided.

Section 2. KRS 67A.520 is amended to read as follows:

The government shall make current contributions to the fund on an actuarially funded basis, toward the annuities and benefits herein provided. These contributions shall be equal to the sum of the following:

(1) An annual amount resulting from the application of a rate percent of salaries of active members determined by the entry age normal cost funding method. Such rate percent shall be fixed by the board every five (5) years, within six (6) months after the actuarial study required by subsection (6) of KRS 67A.560 (actuarial survey of the fund), and shall be in effect for a period of at least five (5) years. [For the first five (5) fiscal years of operation of the fund,] The government's rate of contribution shall be at least *fifteen percent (15%)* [twelve percent (12%)] of the salaries of the active members participating in the fund.

(2) An amount resulting from the application of a rate percent of the salaries of active members which will provide each year regular interest on the remaining liability for prior service.

(3) In addition to other remedies provided by law, any member of the fund or any annuitant may obtain in the circuit court of any county in which the government is located an injunction or mandamus requiring the government to comply herewith.

Section 3. KRS 67A.690 is amended to read as follows:

(1) When a member has been retired for *one (1) year* [three (3) years] or attained *fifty-one (51)* [sixty (60)] years of age, whichever is later or when he would have been retired for *one (1) year* [three (3) years] or attained *fifty-one (51)* [sixty (60)] years of age in the event the member is deceased, the board shall increase his retirement annuity or the annuity paid to his widow or dependent children by *five percent (5%)* [two percent (2%)] per year, *compounded annually*; and such increase shall be granted annually thereafter by the board [provided such increase is not compounded and is based on the original annuity].

(2) Notwithstanding the provisions of subsection (1) any member who retires under disability shall be entitled to an increase in his retirement annuity, or in the event he is deceased, in the annuity paid to his widow or dependent children by two percent (2%) per year; and such increase shall be granted annually thereafter by the board. [provided] Such increase *shall* [is] not *be* compounded and *shall be* [is] based on the original annuity *until and including the date upon which the member would have been retired for one (1) year or the date upon which he has attained fifty-one (51) years of age, whichever is later, or would have been retired for one (1) year or would have attained fifty-one (51) years of age in the event the member is deceased. Thereafter, the annunity paid to the member or to his widow or to the guardian of his minor children shall be increased as provided in subsection (1) of this section.*

SB 13, AN ACT relating to peace officers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.300 is amended to read as follows:

(1) No person shall serve as a deputy sheriff, deputy constable, patrol or other nonelective peace officer or deputy peace officer, unless:

(a) He is a citizen of the United States and is twenty-one (21) years of age or over;

(b) He has resided in the county wherein he is appointed to serve for a period of at least two (2) years; *subsection (b) shall apply only to deputy sheriffs, deputy constables, and to special local peace officers appointed pursuant to KRS 61.360;*

(c) He has never been convicted of a crime involving moral turpitude;

(d) He has not within a period of two (2) years hired himself out, performed any service, or received any compensation from any private source for acting, as a privately paid detective, policeman, guard, peace officer or otherwise as an active participant in any labor dispute, or conducted the business of a private detective agency or of any agency supplying private detectives, private policemen or private guards, or advertised or solicited any such business in connection with any labor dispute.[;]

[(e) He has filed his photograph with the county clerk of the county in which he is to serve, together with his affidavit stating his full name, age and residence address and that he is not prohibited from serving by this section.

(2) The photograph so filed with the county clerk shall constitute a public record.]

(2)[(3)] Any person who exercises any of the functions of a nonelective peace officer or deputy peace officer in violation of the provisions of this section shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned in the county jail for not more than six (6) months, or both.

The Committee on Elections and Constitutional Amendments reported **HB 352** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 352, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.165 is amended to read as follows:

(1) Upon completing the preparation of the machines in accordance with the provisions of KRS 117.155, and not later than three (3) days before the day of the election, the county clerk shall notify the members of the county board of elections that the machines are ready for use. The board shall thereupon convene at the office of the county clerk, not later than two (2) days before the day of the election, and examine the machines to determine whether the requirements of KRS 117.155 have been met. *The county clerk shall publish pursuant to KRS Chapter 424, at least twenty-four (24) hours prior to inspection, a notice of the date, place and time when the voting machines are to be examined.* [Written notice at least twenty-four (24) hours in advance shall be given by the board to all candidates and political parties of the time when the machines are to be examined.] If found in proper order, the members of the county board of elections shall endorse their approval in the book in which the county clerk has entered the numbers of the machines opposite the numbers of the precincts. The clerk shall then deliver all of the keys to the machines to the county board of elections who shall give a receipt for the keys which shall contain identification of such keys. Not later than one (1) hour before the time set for the opening of the polls, the board shall deliver all election supplies including the precinct list, tabulation sheets and the key to the device covering the registering counters and such other keys as may be necessary for the operation of the machine in registering votes, to the election officers of the precinct in which the machine is being used, who shall give the board receipt therefor containing identification of such keys. The master key and all other keys shall remain in the possession of the county board of elections.

(2) Where a vacancy in a candidacy occasioned by the death, removal or resignation of a candidate before the election and after the ballot labels have been prepared is filled by the chairman of the state, district or county political organization as provided by law, the chairman shall furnish to the county clerk a sufficient number of printed ballot labels bearing the name of the new candidate to replace those bearing the name of the candidate with respect to which the vacancy has occurred. If such ballot labels are furnished to the clerk before the machines are delivered to the election precincts, the clerk shall cause them to be inserted in the proper ballot frames. If they are furnished after the machines have been delivered to the election precincts, the county clerk shall cause the ballot labels to be delivered to the clerk of each precinct, with directions as to insertion in the proper ballot frames.

(3) Any candidate, and one representative of each political party having candidates, to be voted for at the election, may be present when the examination of the machines is made by the county board of elections.

The Committee on Health and Welfare reported **HB 127** with Committee Amendment attached thereto, **HB 249** with Committee Substitute attached thereto, **HB 315,** and **HB 364** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 127, AN ACT relating to testing and immunization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 214.034 is amended to read as follows:
Except as otherwise provided in KRS 214.036 *and in subsection (2) of this section:*[,]

(1) All parents, guardians, and other persons having care, custody or control of any child shall have the child tested for tuberculosis and immunized against diphtheria, tetanus, poliomyelitis, pertussis, rubeola, and rubella in accordance with testing and immunization schedules established by regulations of the department for human resources and shall have any child found to be infected with tuberculosis tested, examined and treated according to regulations of the department for human resources. Such persons shall also have booster immunizations administered to the child in accordance with the regulations of the department for human resources.

(2) All parents, guardians, or other persons having care, custody, or control of any female child shall have such child tested for rubella and rubeola no later than ten (10) days after the female child reaches eleven (11) years of age. Should the test indicate that the female child has not been immunized against rubella and rubeola, the attending physician shall communicate the results of said test to the parents, guardians, or other persons having care, custody, or control of the female child, and such persons shall have the female child immunized against rubella and rubeola no later than ten (10) days after receiving the results of the test.

The Committee Amendment No. 1 to **HB 127** is as follows:

Amend printed copy of **HB 127,** page 1, line 20, by inserting after the word "*for*" the words "*immunity to*" and by deleting after the word "*rubella*" the words "*and rubeola*"

And on page 1, line 21, by deleting the words "*eleven (11)*" and inserting in lieu thereof the words "*ten (10)*"

And on page 2, line 2, by deleting the words "*has not been immunized against*" and by inserting in lieu thereof the words "*is not immune to*"

And on page 2, line 2, by deleting the words "*and rubeola*"

And on page 2, line 7, by deleting the words "*and rubeola*"

HB 249, AN ACT relating to the criminally insane.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

The bureau of corrections shall administer a program of care for individuals who have been convicted of a crime after pleading "not guilty" by reason of insanity.

SECTION 2. A NEW SECTION OF KRS CHAPTER 202A IS CREATED TO READ AS FOLLOWS:

Any person convicted of a crime after pleading "not guilty" by reason of insanity shall remain in a facility for the criminally insane until he is "cured" of his mental illness, provided that it is determined by the trial judge from the evidence adduced at trial, but not limited thereto, that such person is mentally insane. Such person shall be deemed "cured" of his mental illness subsequent to being thoroughly examined by two (2) licensed psychiatrists and a licensed medical doctor, all of whom agree that the patient is not a threat to society. If and when such person is deemed "cured" under this section, he shall be returned to the trial court to be considered for probation and conditional discharge pursuant to KRS Chapter 439.

SECTION 3. A NEW SECTION OF KRS CHAPTER 29A IS CREATED TO READ AS FOLLOWS:

During the trial of a person who pleads not guilty by reason of insanity the trial judge shall include in his charge to the jury an instruction embodying the language in Section 2 of this Act.

The Committee Substitute to **HB 249** is as follows:

HB 249, AN ACT relating to the criminally insane.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

The bureau of corrections shall administer a program of care for individuals who have been convicted of a crime in spite of pleading "not guilty" by reason of insanity.

SECTION 2. A NEW SECTION OF KRS CHAPTER 202A IS CREATED TO READ AS FOLLOWS:

Any person convicted of a crime after having pled not guilty by reason of insanity shall be sent to a facility for the criminally insane provided it is determined by the trial judge from the evidence adduced at the trial, but not limited thereto, that such person is mentally insane. Such person shall remain in a facility for the criminally insane until he is "cured" of his mental illness and is not a threat to society. Such person shall be deemed "cured" of his mental illness subsequent to being thoroughly examined by two (2) licensed psychiatrists and a licensed medical doctor, all of whom agree that the patient is not a threat to society. If and when such person is deemed "cured" under this section, he shall be returned to the trial court to be considered for parole, probation and conditional discharge pursuant to KRS Chapter 439.

SECTION 3. A NEW SECTION OF KRS CHAPTER 29A IS CREATED TO READ AS FOLLOWS:

During the trial of a person who pleads not guilty by reason of insanity the trial judge shall include in his charge to the jury an instruction stating that if the defendant is acquitted by reason of insanity, he will be confined in an institution for the mentally ill pursuant to Rule 9.90 of the Kentucky Rules of Criminal Procedure.

HB 315, AN ACT relating to abortion.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 311.760 is amended to read as follows:

An abortion may be performed in this state only under the following circumstances:

(1) During the first trimester of pregnancy by a woman upon herself upon the advice of a licensed physician or by a licensed physician.

(2) After the first trimester of pregnancy, except in cases of emergency to protect the life or health of the pregnant woman, where an abortion is permitted under other provisions of KRS 311.730 to 311.810, by a duly licensed physician in a hospital *duly licensed by the Kentucky health facilities and health services certificate of need and licensure board* [or clinic having sufficient minimal facilities and equipment to insure the maximum safeguard of a patient. Such facilities utilized in the performance of abortion shall be equipped with a blood bank or a sufficient supply of whole blood immediately available and shall have: facilities for rhesus factor (RH) testing; analgesia and anesthesia service; sufficient resuscitation equipment to treat the unconscious patients with cardiovascular collapse; facilities to provide adequate preoperative and postoperative care; and such other equipment and facilities as may be prescribed by the secretary for human resources].

Section 2. KRS 311.990 is amended to read as follows:

(1) Any person who violates KRS 311.250 shall be fined fifty dollars ($50) for the first offense and one hundred dollars ($100) for each subsequent offense.

(2) Any college or professor thereof violating the provisions of KRS 311.300 to 311.350 shall be civilly liable on his bond for a sum not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each violation, which may be recovered by an action in the name of the Commonwealth.

(3) Any person who presents to the county clerk for the purpose of registration any license which has been fraudulently obtained, or obtains any license under KRS 311.380 to 311.510 by false or fraudulent statement or representation, or practices podiatry under a false or assumed name or falsely impersonates another practitioner or former practitioner of a like or different name, or aids and abets any person in the practice of podiatry within the state without conforming to the requirements of KRS 311.380 to 311.510, or otherwise violates or neglects to comply with any of the provisions of KRS 311.380 to 311.510, shall be fined not less than two hundred and fifty dollars ($250) nor more than five thousand dollars ($5,000) or

imprisoned in the county jail for not less than three (3) months nor more than twelve (12) months, or both so fined and imprisoned. Each case of practicing podiatry in violation of the provisions of KRS 311.380 to 311.510 shall be considered a separate offense.

(4) Each first violation of KRS 311.560 shall be punishable by a fine of not less than two hundred and fifty ($250) nor more than five thousand dollars ($5,000) or by imprisonment for not less than one (1) month nor more than twelve (12) months, or both. Each subsequent violation of KRS 311.560 shall constitute a felony and be punishable by a fine of not less than one thousand ($1,000) nor more than ten thousand dollars ($10,000) or by imprisonment in a penitentiary for not less than one (1) nor more than three (3) years, or both.

(5) Each violation of KRS 311.590 shall constitute a felony and shall be punishable by a fine of not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000) or by imprisonment in a penitentiary for not less than one (1) nor more than three (3) years. Conviction, under this subsection, of a holder of a license or permit, shall result automatically in permanent revocation of such license or permit.

(6) Conviction of wilfully resisting, preventing, impeding, obstructing, threatening or interfering with the board or any of its members, or of any officer, agent, inspector or investigator of the board or the department for human resources, in the administration of any of the provisions of KRS 311.550 to 311.620 shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both.

(7) Each violation of subsection (1) of KRS 311.375 shall, for the first offense, be punishable by a fine of not less than fifty dollars ($50) nor more than three hundred dollars ($300) or by imprisonment for not more than thirty (30) days or both, and, for each subsequent offense, by a fine of not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000) or by imprisonment for not more than one (1) year, or both.

(8) Each violation of subsection (2) of KRS 311.375 shall, for the first offense, be punishable by a fine of not more than one hundred dollars ($100) or by imprisonment for not more than thirty (30) days, or both, and, for each subsequent offense, by a fine of not less than one hundred dollars ($100) nor more than two hundred and fifty dollars ($250) or by imprisonment for not more than ninety (90) days or both.

(9) Each day of violation of either subsection of KRS 311.375 shall constitute a separate offense.

(10) Conviction of wilfully resisting, preventing, impeding, obstructing, threatening or interfering with the board or any of its members, or of any officer, agent, inspector or investigator of the board in the administration of any of the provisions of KRS 311.550 to 311.620 shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both.

(11) Any physician who fails to comply with the provisions of KRS 311.730, upon conviction thereof shall be fined not more than five hundred dollars ($500).

(12) Failure to procure the informed consent of those required to give their consent pursuant to KRS 311.740, prior to performing an abortion shall be punishable by imprisonment in the county jail not to exceed one (1) year or a fine not to exceed one thousand dollars ($1,000), or both.

(13) Any person convicted of violating KRS 311.750 shall be imprisoned in the penitentiary for a term of not less than ten (10) nor more than twenty (20) years.

(14) Any person who violates KRS 311.760(2) *shall be guilty of a class D felony*[, 311.770 or 311.780 shall be imprisoned for a term not to exceed two (2) years or fined not more than five thousand dollars ($5,000), or both].

(15) *Any person who violates KRS 311.770 or 311.780 shall be imprisoned for a term not to exceed two (2) years or fined not more than five thousand dollars ($5,000), or both.*

(16) A person convicted of violating KRS 311.780 shall be imprisoned in the penitentiary for not less than two (2) nor more than twenty-one (21) years.

(17)[(16)] Any person who violates KRS 311.810 shall be imprisoned in the county jail for a term not to exceed twelve (12) months or fined a sum not to exceed one thousand dollars ($1,000), or both.

(18)[(17)] Any professional medical association or society, licensed physician, or hospital or hospital medical staff who shall have violated the provisions of KRS 311.606, shall be fined not less than one hundred dollars ($100), nor more than five hundred dollars ($500) for each failure to so report as described in KRS 311.606.

(19)[(18)] Any person who violates KRS 311.652 or any rule or regulation of the board of medical licensure adopted pursuant to KRS 311.654 shall be guilty of a Class A misdemeanor.

(20)[(19)] Any person who violates KRS 311.914 shall be guilty of a misdemeanor and on conviction shall be punished by a fine of not less than twenty-five dollars ($25) nor more than two hundred dollars ($200).

Section 3. Whereas it is the stated policy of the general assembly of the Commonwealth of Kentucky to protect the life, health, and welfare of pregnant women, and such persons are now in jeopardy, an emergency is declared to exist and this Act shall become effective June 1, 1980.

HB 364, AN ACT relating to abortion.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 311.800 is amended to read as follows:

(1) *No publicly owned hospital or other publicly owned health care facility shall perform or permit the performance of abortions, except to save the life of the pregnant woman.*

(2) In the event that a publicly owned hospital or publicly owned health facility is performing or about to perform an abortion in violation of subsection (1) of this section, and law enforcement authorities in the county have failed or refused to take action to stop such a practice, any resident of the county in which the hospital or health facility is located, may apply to the circuit court of that county for an injunction or other court process to require compliance with subsection (1) of this section.

(3) No *private* hospital or *private* [other] health care facility shall be required to, or held liable for refusal to, perform or permit the performance of abortion contrary to its stated ethical policy.

(4) No physician, nurse staff member or employe of a *public or private* hospital or *employe of a public or private* [other] health care facility, who shall state in writing to such hospital or health care facility his objection to performing, participating in, or cooperating in, abortion on moral, religious or professional grounds, be required to, or held liable for refusal to, perform, participate in, or cooperate such abortion.

(5)[(2)] It shall be an unlawful discriminatory practice for the following:

(a) Any person to impose penalties or take disciplinary action against, or to deny or limit public funds, licenses, certifications, degrees, or other approvals or documents of qualification to, any hospital or other health care facility due to the refusal of such hospital or health care facility to perform or permit to be performed, participate in, or cooperate in, abortion by reason of objection thereto on moral, religious or professional grounds, or because of any statement or other manifestation of attitude by such hospital or health care facility with respect to abortion; or,

(b) Any person to impose penalties or take disciplinary action against, or to deny or limit public funds, licenses, certifications, degrees, or other approvals or documents of qualification to any physician, nurse or staff member or employe of any hospital or health care facility, due to the willingness or refusal of such physician, nurse or staff member or employe to perform or participate in abortion by reason of objection thereto on moral, religious or professional grounds, or because of any statement or other manifestation of attitude by such physician, nurse or staff member or employe with respect to abortion; or,

(c) Any public or private agency, institution or person, including a medical, nursing or other school, to deny admission to, impose any burdens in terms of conditions of employment upon, or otherwise discriminate against any applicant for admission thereto or any physician, nurse, staff member, student or employe thereof, on account of the willingness or refusal of such applicant, physician, nurse, staff member, student or employe to perform or participate in abortion or sterilization by reason of objection thereto on moral, religious or professional grounds, or because of any statement or other manifestation of attitude by such person with respect to abortion or sterilization if that health care facility is not operated exclusively for the purposes of performing abortions or sterilizations.

Section 2. KRS 311.990 is amended to read as follows:

(1) Any person who violates KRS 311.250 shall be fined fifty dollars ($50) for the first offense and one hundred dollars ($100) for each subsequent offense.

(2) Any college or professor thereof violating the provisions of KRS 311.300 to 311.350 shall be civilly liable on his bond for a sum not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each violation, which may be recovered by an action in the name of the Commonwealth.

(3) Any person who presents to the county clerk for the purpose of registration any license which has been fraudulently obtained, or obtains any license under KRS 311.380 to 311.510 by false or fraudulent statement or representation, or practices podiatry under a false or assumed name or falsely impersonates another practitioner or former practitioner of a like or different name, or aids and abets any person in the practice of podiatry within the state without conforming to the requirements of KRS 311.380 to 311.510, or otherwise violates or neglects to comply with any of the provisions of KRS 311.380 to 311.510, shall be fined not less than two hundred and fifty dollars ($250) nor more than five thousand dollars ($5,000) or imprisoned in the county jail for not less than three (3) months nor more than twelve (12) months, or both so fined and imprisoned. Each case of practicing podiatry in violation of the provisions of KRS 311.380 to 311.510 shall be considered a separate offense.

(4) Each first violation of KRS 311.560 shall be punishable by a fine of not less than two hundred and fifty ($250) nor more than five thousand dollars ($5,000) or by imprisonment for not less than one (1) month nor more than twelve (12) months, or both. Each subsequent violation of KRS 311.560 shall constitute a felony and be punishable by a fine of not less than one thousand ($1,000) nor more than ten thousand dollars ($10,000) or by imprisonment in a penitentiary for not less than one (1) nor more than three (3) years, or both.

(5) Each violation of KRS 311.590 shall constitute a felony and shall be punishable by a fine of not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000) or by imprisonment

in a penitentiary for not less than one (1) nor more than three (3) years. Conviction, under this subsection, of a holder of a license or permit, shall result automatically in permanent revocation of such license or permit.

(6) Conviction of wilfully resisting, preventing, impeding, obstructing, threatening or interfering with the board or any of its members, or of any officer, agent, inspector or investigator of the board or the department for human resources, in the administration of any of the provisions of KRS 311.550 to 311.620 shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both.

(7) Each violation of subsection (1) of KRS 311.375 shall, for the first offense, be punishable by a fine of not less than fifty dollars ($50) nor more than three hundred dollars ($300) or by imprisonment for not more than thirty (30) days or both, and, for each subsequent offense, by a fine of not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000) or by imprisonment for not more than one (1) year, or both.

(8) Each violation of subsection (2) of KRS 311.375 shall, for the first offense, be punishable by a fine of not more than one hundred dollars ($100) or by imprisonment for not more than thirty (30) days, or both, and, for each subsequent offense, by a fine of not less than one hundred dollars ($100) nor more than two hundred and fifty dollars ($250) or by imprisonment for not more than ninety (90) days or both.

(9) Each day of violation of either subsection of KRS 311.375 shall constitute a separate offense.

(10) Conviction of wilfully resisting, preventing, impeding, obstructing, threatening or interfering with the board or any of its members, or of any officer, agent, inspector or investigator of the board in the administration of any of the provisions of KRS 311.550 to 311.620 shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both.

(11) Any physician who fails to comply with the provisions of KRS 311.730, upon conviction thereof shall be fined not more than five hundred dollars ($500).

(12) Failure to procure the informed consent of those required to give their consent pursuant to KRS 311.740, prior to performing an abortion shall be punishable by imprisonment in the county jail not to exceed one (1) year or a fine not to exceed one thousand dollars ($1,000), or both.

(13) Any person convicted of violating KRS 311.750 shall be imprisoned in the penitentiary for a term of not less than ten (10) nor more than twenty (20) years.

(14) Any person who violates KRS 311.760(2), 311.770 or 311.780 shall be imprisoned for a term not to exceed two (2) years or fined not more than five thousand dollars ($5,000), or both.

(15) A person convicted of violating KRS 311.780 shall be imprisoned in the penitentiary for not less than two (2) nor more than twenty-one (21) years.

(16) Any person who violates KRS 311.810 shall be imprisoned in the county jail for a term not to exceed twelve (12) months or fined a sum not to exceed one thousand dollars ($1,000), or both.

(17) Any professional medical association or society, licensed physician, or hospital or hospital medical staff who shall have violated the provisions of KRS 311.606, shall be fined not less than one hundred dollars ($100), nor more than five hundred dollars ($500) for each failure to so report as described in KRS 311.606.

(18) Any person who violates KRS 311.652 or any rule or regulation of the board of medical licensure adopted pursuant to KRS 311.654 shall be guilty of a Class A misdemeanor.

(19) *Any administrator, officer or employe of a publicly owned hospital or publicly owned health care facility who performs or permits the performance of abortions in violation of section 1(1) of this Act, shall be guilty of a Class A misdemeanor.*

(20) Any person who violates KRS 311.914 shall be guilty of a misdemeanor and on conviction shall be punished by a fine of not less than twenty-five dollars ($25) nor more than two hundred dollars ($200).

The Committee on Banking and Insurance reported **SB 46, SB 75,** and **HB 374** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 46, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 17 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) All individual health insurance policies providing coverage on an expense incurred basis which provide maternity benefits shall offer the insured the option to purchase coverage to pay for routine nursery care for a well newly born child for up to five (5) full days in a hospital nursery.

(2) The coverage for the well newly born child shall pay the hospital charges for each day in the hospital nursery.

(3) The requirements of this section shall apply to all health insurance policies in effect on October 1, 1980 and those policies issued thereafter.

SECTION 2. A NEW SECTION OF SUBTITLE 18 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) All group or blanket health insurance policies providing coverage on an expense incurred basis which provide maternity benefits shall offer the master policyholder the option to purchase coverage to pay for routine nursery care for a well newly born child for up to five (5) full days in a hospital nursery.

(2) The coverage for the well newly born child shall pay the hospital charges for each day in the hospital nursery.

(3) The requirements of this section shall apply to all insurance policies, and certificates, in effect on October 1, 1980 and those policies, and certificates, issued thereafter.

SECTION 3. A NEW SECTION OF SUBTITLE 32 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) All individual or group service or indemnity type contracts and all certificates thereunder issued by a nonprofit corporation which provide maternity benefits shall offer the master policyholder the option to purchase coverage to pay for routine nursery care for a well newly born child for up to five (5) full days in a hospital nursery.

(2) The coverage for the well newly born child shall pay the hospital charges for each day in the hospital nursery.

(3) The requirements of this section shall apply to all member or subscriber contracts, and all certificates thereunder, in effect on October 1, 1980 and those contracts, and certificates, issued thereafter.

SECTION 4. A NEW SECTION OF SUBTITLE 38 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any group policy, group plan, or group contract issued in this state by a health maintenance organization which provides maternity benefits shall offer the master policyholder the option to purchase coverage to pay for routine nursery care for a well newly born child for up to five (5) full days in a hospital nursery.

(2) The coverage for the well newly born child shall pay the hospital charges for each day in the hospital nursery.

(3) The requirements of this section shall apply to all policies, plans, or contracts issued by a health maintenance organization in effect on october 1, 1980 and those policies, plans or contracts issued thereafter.

SB 75, AN ACT relating to interest rates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 360.010 is amended to read as follows:

(1) The legal rate of interest is six per cent per annum, but any party or parties may agree, in writing, for the payment of interest in excess of that rate [as follows: (a) at a rate not in excess of eight and one-half per cent per annum on money due or to become due upon any contract or other obligation in writing where the original principal amount is fifteen thousand dollars or less, and (b) at any rate on money due or to become due upon any contract or other obligation in writing where the original principal amount is in excess of fifteen thousand dollars; and any such party or parties, and any party or parties who may assume or guarantee any such contract or obligation, shall be bound for such rate of interest as is expressed in any such contract, obligation, assumption, or guaranty, and no law of this state prescribing or limiting interest rates shall apply to any such agreement or to any charges which pertain thereto or in connection therewith]; provided, however, nothing herein contained shall be construed to amend, repeal, or abrogate any other law of this state pertaining to any particular types of transactions for which the maximum rate of interest is specifically prescribed or provided.

(2) Any state or national bank may charge ten dollars for any loan negotiated at the bank in this state, even if the legal interest does not amount to that sum.

Section 2. KRS 287.214, Rate of interest allowed on loans of $15,000 or less, is repealed.

HB 374, AN ACT relating to payment of insurance benefits for services provided by certified social workers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 17, IS CREATED TO READ AS FOLLOWS:

Every individual health insurance policy issued, delivered or renewed in this state which provides coverage on an expense incurred basis for any service within the lawful scope of practice of a duly licensed certified social worker as regulated under KRS Chapter 335 shall be deemed to entitle the policyholder, or other person entitled to such benefits under such policy, to payment of or reimbursement for the cost of any such service, not in excess of the coverage limits, whether or not such service is performed by a duly licensed physician or a duly licensed certified social worker with certification for the independent practice of clinical social work who independently provides such services when such service is prescribed by a duly licensed physician.

SECTION 2. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 18, IS CREATED TO READ AS FOLLOWS:

Every policy of group or blanket health insurance issued, delivered or renewed in this state which provides coverage on an expense incurred basis for any service within the lawful scope of practice of a duly licensed certified social worker as regulated under KRS Chapter 335 shall be deemed to entitle the policyholder, or other person entitled to such benefits under such policy, to payment of or reimbursement for the cost of any such service, not in excess of the coverage limits, whether or not such service is performed by a duly licensed physician or a duly licensed certified social worker with certification for the independent practice of clinical social work who independently provides such services when such service is prescribed by a duly licensed physician.

SECTION 3. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 32, IS CREATED TO READ AS FOLLOWS:

Every policy, contract or plan issued, delivered or renewed in this state by a non-profit hospital, medical-surgical, dental or health service corporation which provides coverage for services which can be lawfully performed within the scope of the license of a duly licensed certified social worker with certification for the independent practice of clinical social work as provided in KRS Chapter 335, shall be deemed to provide benefits for such services whether performed by a duly licensed physician or a duly licensed certified social worker with certification for the independent practice of clinical social work who independently provides such services when such service is prescribed by a duly licensed physician. If the policy, contract or plan so provides, payment may be made directly to the provider of the services, but in the event it does not so provide, the person entitled to such benefits shall be entitled to reimbursement for the cost of such services received.

SECTION 4. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 38, IS CREATED TO READ AS FOLLOWS:

Every contract, agreement or certificate entered into, issued or delivered by a health maintenance organization in this state which provides coverage for services which can be lawfully performed within the scope of the license of a duly licensed certified social worker with certification for the independent practice of clinical social work as provided in KRS Chapter 335, shall be deemed to provide benefits for such services whether performed by a duly licensed physician or a duly licensed certified social worker with certification for the independent practice of clinical social work who independently provides such services when such service is prescribed by a duly licensed physician. If the contract, agreement or certificate so provides, payment may be made directly to the provider of the services, but in the event it does not so provide, the person entitled to such benefits shall be entitled to reimbursement for the cost of such services received.

The Committee on Education reported **HB 152** with Committee Substitute attached thereto, **HJR 5, HJR 43, SB 91** with Committee Amendment attached thereto, and **SJR 2** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 152, AN ACT relating to the teachers' retirement system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.540 is amended to read as follows:

(1) Each member shall contribute to the retirement system seven and seven-tenths percent (7 7/10%) of his annual compensation. The contribution of a member shall not exceed this percentage on his current annual compensation.

(2) Effective July 1, 1979, each member shall contribute to the retirement system seven and eighty-four hundredths percent (7 84/100%) of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation.

(3) Effective July 1, 1980, each member shall contribute to the retirement system nine and thirty-two hundredths percent (9 32/100%) of annual compensation except that university [faculty] members shall contribute *five and six hundred twenty-five thousandths percent (5 625/1000%)* [seven and eighty-four hundredths percent (7 84/100%)] of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation.

Section 2. KRS 161.550 is amended to read as follows:

Beginning with July 1, 1976, the state shall contribute annually to the retirement system a permanent amount equal to that contributed by all members, *except that, beginning July 1, 1980, the state shall contribute an amount equal to ten and fifty-five thousandths percent (10 55/1000%) of annual compensation of university members*. The state shall, in addition to the above *amounts* [amount], provide an annual overmatch of three and one-fourth percent (3.25%) of total member salaries to discharge the system's unfunded obligations with interest assumed by the state.

Section 3. To carry out the purposes of this Act, there is appropriated to the teachers' retirement system out of the general fund of the state treasury the sum of one million, four hundred and twenty-four thousand, seven hundred and eighty dollars for the 1980-81 fiscal year, and the sum of one million, five hundred and forty-five thousand, eight hundred and eighty-seven dollars for the 1981-82 fiscal year.

The Committee Substitute to **HB 152** is as follows:

HB 152, AN ACT relating to the teachers' retirement system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions of KRS Chapter 161, the contribution of university faculty members may be reduced by amounts up to two and two hundred fifteen thousandths percent (2 215/1000%) if amounts sufficient to replace the reduction are authorized and contributed to the teachers' retirement system by the board of regents of the employing university.

Section 2. Whereas, since salary deductions for retirement system purposes are calculated on a fiscal year basis, an emergency is declared to exist and the provisions of this Act shall become effective July 1, 1980.

HJR 5, A JOINT RESOLUTION directing the Legislative Research Commission to establish a special committee to study alternative taxes to replace the property tax as the major source of revenue for local school districts.

WHEREAS, the property tax provides the major source of local school district discretionary revenues with which programs are enriched beyond that provided by the state funded Foundation Program; and

WHEREAS, the amount of revenues from the property tax that local school districts have to expend at their discretion for program enrichment has steadily declined over the years; and

WHEREAS, the property tax is a highly unpopular tax largely due to the inequities resulting from the difficulty of its administration; and

WHEREAS, local school districts need to have a source or sources of tax revenue which, in their administration, does not evoke such a negative public reaction thereby reducing the possibility that discretionary funds for program enrichment would be curtailed;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Legislative Research Commission shall establish a special committee to study alternative taxes to replace the property tax as the major source of discretionary revenue for local school districts.

Section 2. The special committee shall be composed of seven (7) members as follows: five (5) members of the General Assembly, one (1) each from the standing House Education Committee, Senate Education Committee, House Appropriations and Revenue Committee and Senate Appropriations and Revenue Committee and one (1) member at large to be appointed by the Legislative Research Commission; the Commissioner of Revenue; and the State Superintendent of Public Instruction.

Section 3. The study shall focus on determining alternate taxes which would not be subject to as much controversy and would be easier to administer than the property tax.

Section 4. The study shall be completed and reported to the Legislative Research Commission, the Interim Joint Committee on Education and the Interim Joint Committee on Appropriations and Revenue not later than June 1, 1981.

Section 5. Staff services to be utilized in completing the study are estimated to cost $12,000. These services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

HJR 43, A JOINT RESOLUTION relating to special education.

WHEREAS, there are significant numbers of deaf, deaf-blind, hard of hearing, mentally retarded, multihandicapped, orthopedically impaired, other health impaired, seriously emotionally disturbed, specific learning disabled, speech impaired, and visually handicapped children who are inadequately served within our Commonwealth; and

WHEREAS, there exists a shortage of qualified professionals to provide instruction for these deaf, deaf-blind, hard of hearing, mentally retarded, multihandicapped, orthopedically impaired, other health impaired, seriously emotionally disturbed, specific learning disabled, speech impaired, and visually handicapped children; and

WHEREAS, the graduating teacher of the learning disabled must meet requirements which constitute more course hours than those of a regular teacher for which they are not compensated by the salary ranking system; and

WHEREAS, additional requirements without compensation may be a hindrance to entering the profession;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Kentucky department of education, the Kentucky council on teacher education and certification and the Kentucky council on higher education is hereby directed to jointly study the higher education programs and the certification requirements for the teachers of the deaf, deaf-blind, hard of hearing, mentally retarded, multihandicapped, orthopedically impaired, other health impaired, seriously emotionally disturbed, specific learning disabled, speech impaired, and visually handicapped children.

Section 2. The study shall include the review of the course work offered and required at the institutions of higher education and the certification requirements for teachers of the deaf, deaf-blind, hard of hearing, mentally retarded, multihandicapped, orthopedically impaired, other health impaired, seriously emotionally disturbed, specific learning disabled, speech impaired, and visually handicapped. The study shall also review methods whereby these teachers may be compensated for required course work beyond that required for the regular teacher.

Section 3. The study along with appropriate recommendations shall be concluded no later than June 1, 1981, and submitted to the interim joint committee on education and the legislative research commission.

SB 91, AN ACT relating to occupational education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) The superintendent of public instruction may enter into agreement to train workers for new manufacturing jobs in new or expanding industries characterized by one or more of the following criteria: a high average skill, a high average wage, rapid national growth, or jobs feasible and desirable for location in rural regions. Such agreements shall be subject to review and approval by the State Board for Occupational Education at its next regularly scheduled meeting and shall not be subject to the requirements of KRS 45.360, KRS 45.530 to 45.545, and KRS 45.700 to 45.720 when awarded on the basis of a detailed training plan approved by the superintendent of public instruction. Reimbursement to the industry shall be made upon submission of documents validating actual training expenditure not to exceed the amount approved by the training plan.

(2) The superintendent of public instruction may approve authorization for the department of education to enter into agreement with industries whereby the industry may be reimbursed directly for the following services:

(a) The cost of instructors' salaries when the instructor is an employe of the industry to be served;
(b) Cost of supplies, materials, and equipment used in the training program; and
(c) Cost of leasing a training facility should a vocational education school or the industrial plant not be available.

Section 2. Whereas, immediate action is necessary to meet the current requests for training workers for new and expanding industries, an emergency is declared to exist, and this Act shall become effective upon its passage and appoval by the Governor.

The Committee Amendment No. 1 to **SB 91** is as follows:

Amend printed copy of **SB 91,** page 2, line 4, (b) after word "of" by inserting the words "only those" and after word "used" inserting "exclusively"

SJR 2, A JOINT RESOLUTION relating to special education.

WHEREAS, there are significant numbers of learning disabled children who are inadequately served within our Commonwealth; and

WHEREAS, there exists a shortage of qualified professionals to provide instruction for these learning disabled children; and

WHEREAS, the graduating teacher of the learning disabled must meet requirements which constitute more course hours than those of a regular teacher for which they are not compensated by the salary ranking system; and

WHEREAS, additional requirements without compensation may be a hindrance to entering the profession;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Kentucky Department of Education, the Kentucky council on Teacher Education and Certification and the Kentucky Council on Higher Education is hereby directed to jointly study the higher education programs and the certification requirements for the teachers of the learning disabled.

Section 2. The study shall include the review of the course work offered and required at the institutions of higher education and the certification requirements for teachers of the learning disabled. The study shall also review methods whereby these teachers may be compensated for required course work beyond that required for the regular teacher.

Section 3. The study along with appropriate recommendations shall be concluded no later than June 1, 1981, and submitted to the Interim Joint Committee on Education and the Legislative Research Commission.

Calendar

HB 47 and **HB 388** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 287, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by majority of members elected.

Representative B. Richardson moved the adoption of the Floor Amendment No. 1 to **HB 287.** Agreed.

Representative B. Richardson moved that **HB 287,** as amended, be passed.

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Weinberg, White, Wilborn, Williams, Yates. Nays 2-Van Horn, Wright.

HB 287, as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 287,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 125, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that the debate for each side be limited to ten minutes.

On the roll call the vote was yeas 49-Adams, Allen, Bendl, Bennett, Blair, Blandford, Bronger, Bruce, Burch, Cawood, Clapp, Clarke, Crupper, Curd, Byrus, Davenport, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Head, Jones, Kenton, Kidd, List, Little, Lundergan, Maynard, McBee, McKinney, Moberly, Noe, Petty, Plummer, Priddy, Richards, B. Richardson, P. Richardson, Romines, Stone, Stumbo, Thomas, Wilborn, Williams, Yates. Nays 37-Barrows, Blythe, Boswell, Brinkley, Burnette, Caldwell, Clark, Craddock, DeFalaise, Deskins, Fryman, Haering, Hancock, Heleringer, Holbrook, Isler, Johnson, Layman, LeMaster, Lewis, May, McNutt, Nett, Overstreet, Patrick, Pearman, Rapier, Riner, Robinson, Schmidt, Smith, Thomason, Turner, Van Horn, Weinberg, White, Wright.

The motion that the debate for each side be limited to ten minutes in regard to **HB 125** was adopted.

Representative Riner moved the adoption of the Floor Amendment No. 1 to **HB 125.**

On the roll call the vote was Yeas 67-Adams, Allen, Arnold, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Haering, Hancock, Head, Heleringer, Holloway, Isler, Johnson, Kidd, Layman, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McNutt, Morris, Nett, O'Brien, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Worthington, Wright, Yates. Nays 15-Barrows, Bendl, Blythe, Cawood, Clarke, Cyrus, Deskins, Gray, Hines, Holbrook, Kenton, Moberly, Noe, Wilborn, Williams.

The Floor Amendment No. 1 to **HB 125** was adopted.

Representative Wright moved that **HB 125,** as amended, be passed.

On the roll call the vote was yeas 65-Adams, Allen, Arnold, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Clapp, Clark, Craddock, Curd, Davenport, Dawahare, DeFAlaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Layman, List, Little, Lundergan, Mann, May, Maynard, McKinney, McNutt, Morris, Nett, O'Brien, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Romines, Schmidt, Smith, Thomas, Turner, Van Horn, White, Worthington, Wright, Yates. Nays 24-Barrows, Bendl, Blythe, Caldwell, Cawood, Clarke, Crupper, Cyrus, Deskins, Gray, Hines, Jones, Kenton, Kidd, LeMaster, Moberly, Noe, Overstreet, B. Richardson, Stumbo, Thomason, Weinberg, Wilborn, Williams.

HB 125, as amended, was passed and the title agreed to.

Representative Wright moved that the vote by which **HB 125,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 179 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Foster moved that **HB 179** be passed.

On the roll call the vote was yeas 87-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Wilborn, Williams, Wright, Yates. Nays 0.

HB 179 was passed and the title agreed to.

Representative Foster moved that the vote by which **HB 179** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 324 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **HB 324** be passed.

Representative Johnson moved that **HB 324** be laid on the Clerk's desk.

On the roll call the vote was yeas 70-Adams, Arnold, Barrows, Bennett, Blair, Blandford, Bronger, Bruce, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Romines, Schmidt, Stone, Stumbo, Thomason, Van Horn, Wilborn, Williams, Worthington, Wright. Nays 2-Boswell, Burnette.

The motion that **HB 324** be laid on the Clerk's desk was adopted.

HB 350 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved that **HB 350** be passed.

On the roll call the vote was yeas 80-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Clark, Clarke, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Robinson, Romines, Schmidt, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 3-Cawood, Fryman, Richards.

HB 350 was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 350** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 353 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved that **HB 353** be passed.

On the roll call the vote was yeas 85-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 4-Allen, Layman, B. Richardson, Weinberg.

HB 353 was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 353** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 190 as amended by Committee Amendment No. 1, with Floor Amendments attached thereto, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of the Floor Amendment No. 1 to **HB 190.**

On the roll call the vote was yeas 52-Adams, Barrows, Bendl, Bennett, Blythe, Boswell, Burnette, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Donnermeyer, Farrow, Foster, Freibert, Gray, Haering, Head, Heleringer, Hines, Holbrook, Isler, Kenton, Kidd, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Nett, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Romines, Stone, Stumbo, Van Horn, Weinberg, Wilborn, Williams, Wright. Nays 4-DeFalaise, DeMarcus, Fryman, Noe.

The Floor Amendment No. 1 to **HB 190** was adopted.

Representative Nett moved that **HB 190,** as amended, be passed.

Representative Clapp moved the adoption of the Floor Amendment No. 2 to **HB 190.**

Representative Jones moved that the Floor Amendment No. 2 to **HB 190** be laid on the table.

On the roll call the vote was yeas 38-Adams, Allen, Blandford, Bronger, Burnette, Clapp, Crupper, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Haering, Head, Hines, Holbrook, Jones, Kidd, Layman, LeMaster, Lewis, McBee, Morris, Petty, Plummer, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Stumbo, Turner, Van Horn, White, Wright. Nays 40-Bendl, Bennett, Boswell, Brown, Bruce, Cawood, Clark, Clarke, Curd, Davenport, DeFalaise, DeMarcus, Freibert, Fryman, Gray, Heleringer, Isler, Kenton, List, Little, Lundergan, Mann, May, McKinney, Moberly, Nett, Noe, O'Brien, Pearman, Priddy, Rapier, Riner, Schmidt, Stone, Thomas, Thomason, Weinberg, Wilborn, Williams, Worthington.

The motion that Floor Amendment No. 2 to **HB 190** be laid on the table was rejected..

On the roll call the vote was yeas 18-Allen, Bronger, Burnette, Clapp, Crupper, DeMarcus, Farrow, Fryman, Holbrook, Lewis, McBee, Morris, B. Richardson, Robinson, Schmidt, Stumbo, Thomason, Van Horn. Nays 56-Adams, Arnold, Barrows, Bendl, Bennett, Blythe, Boswell, Brinkley, Brown, Burch, Cawood, Clark, Clarke, Curd, Cyrus, Davenport, DeFalaise, Deskins, Dunn, Foster, Freibert, Gray, Haering, Head, Heleringer, Hines, Holloway, Isler, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, May, Maynard, McKinney, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Priddy, Rapier, Riner, Romines, Stone, Turner, Weinberg, Wilborn, Williams, Worthington, Wright, Yates.

The Floor Amendment No. 2 to **HB 190** was rejected.

On the roll call the vote was yeas 52-Adams, Bendl, Bennett, Boswell, Bronger, Brown, Bruce, Burch, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Davenport, DeFalaise, Deskins, Dunn, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Kenton, Kidd, List, Little, Lundergan, May, Maynard, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Pearman, Rapier, P. Richardson, Romines, Stone, Stumbo, Thomas, Weinberg, Wilborn, Williams, Worthington. Nays 29-Allen, Arnold, Blythe, Burnette, Clapp, Cyrus, DeMarcus, Ellington, Farrow, Fryman, Holbrook, Johnson, Layman, LeMaster, Lewis, McBee, Overstreet, Patrick, Plummer, Priddy, Richards, B. Richardson, Riner, Robinson, Turner, Van Horn, White, Wright, Yates.

HB 190, as amended, was passed and the title agreed to.

Representative Nett moved that the vote by which **HB 190,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of **HB 204** and **HB 86** be deferred and that they retain their position in Orders of the Day. Agreed.

Motions, Petitions, and Communications

Representative Mann moved that the vote on **HB 41** be reconsidered and that it be placed in Orders of the Day for February 21, 1980.

On the roll call the vote was yeas 41-Bendl, Bennett, Blythe, Boswell, Brinkley, Bronger, Burch, Cawood, Clark, Craddock, Crupper, Curd, Davenport, Deskins, Donnermeyer, Dunn, Gray, Head, Heleringer, Hines, Isler, Kenton, Kidd, LeMaster, Lewis, Little, Mann, McKinney, Moberly, Morris, Nett, Petty, Priddy, Rapier, B. Richardson, Romines, Stone, Stumbo, White, Wilborn, Williams. Nays 23-Adams, Burnette, Clapp, DeMarcus, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Holbrook, Johnson, Layman, List, O'Brien, Rattliff, Riner, Robinson, Schmidt, Thomas, Thomason, Van Horn, Wright.

The motion that the vote on **HB 41** be reconsidered and that it be placed in Orders of the Day for February 21, 1980, was adopted.

Speaker Pro Tempore Hancock presiding.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Dunn, **HB 347;** Representative Freibert, **HR 7;** Representative Haering, **HB 38;** Representative McNutt; **HB 86;** Representative Romines, **HB 53, HB 393;** Representative White, **HB 125.**

Representative Wilborn moved the adoption of the following Legislative Citation No. 29:

The House of Representatives of the Commonwealth of Kentucky hereby commends Dr. Max D. Klein, a distinguished and dedicated physician for your outstanding contributions to medicine and especially your services to the citizens of Shelby County. Your benevolent spirit and deep compassion have been a source of inspiration to those who have known you. Your untimely retirement, due to illness, was a disappointment not only to you personally but also to your many friends across the state. This honorable body salutes you for your dedication and contribution to the welfare of others and extends our very best wishes to you. (Sponsored by Representative Wilborn)

Agreed.

The following meetings were announced:

Judiciary: Thursday, on adjournment, Room C.

Business Organizations and Professions: On adjournment today, Room A.

Agriculture: No meeting tomorrow.

Joint Appropriations and Revenue, Budget Review: Thursday, 8:30 a.m., Room A.

Natural Resources and Environment: Regular meeting, Thursday, 12 noon, Room A.

State Government: Thursday, 10 a.m., House chamber.

Committee Chairmen: Thursday, on adjournment.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 589, by Representative Little: AN ACT relating to boating.

HB 590, by Representatives Stumbo and Lewis: AN ACT relating to free legal representation.

HB 591, by Representatives Mann, Donnermeyer, Petty, McBee, Isler, Schmidt, DeFalaise, and Caldwell: AN ACT relating to charitable gaming.

HB 592, by Representatives Jones, Bendl, Mann, Overstreet, and McNutt: AN ACT relating to motor vehicle operator's licenses.

HB 593, by Representatives Bronger, Dunn, Maynard, Heleringer, and Williams: AN ACT relating to civil service in cities of the first class.

HB 594, by Representatives Cyrus and Holbrook: AN ACT relating to professional boxing and wrestling.

HB 595, by Representative Van Horn: AN ACT relating to collective bargaining for fire fighters.

HJR 65, by Representative Kidd: A JOINT RESOLUTION directing the department of education to study the salary schedule of employes in vocational education.

HCR 66, by Representatives Bronger, Wright, and Heleringer: A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the distribution of low-rent housing projects in counties containing a city of the first class.

HCR 67, by Representative Patrick: A CONCURRENT RESOLUTION urging the Kentucky Departments of Transportation, Tourism and Commerce respectively to upgrade transportation facilities and review the need for and desirability of commercial development in preparation for the opening of Big South Fork Park.

Posting of Bills and Resolutions (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Labor and Industry: **HB 509.**

Education: **SB 146.**

State Government: **HB 495, HB 433, HB 457.**

Energy: **HB 430, HB 468, HB 490, HR 60, HCR 57.**

Judiciary: **HB 306, HB 369, HB 370, HB 454, HB 496, HB 504, HB 546, HCR 46, SB 31, SB 77, SB 118, SB 119.**

The Clerk announced the following Bill has been withdrawn from Committee consideration:

Health and Welfare: **HB 90.**

Announcements

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to the Committee Substitute to **HB 53,** by Representative Priddy, is as follows:

Amend printed copy of Committee Substitute to **HB 53,** page 1, line 16, by deleting subsection (3) on lines 16 through 20 and inserting the following subsection in lieu thereof:

"(3) No person shall intentionally sell or offer for sale, deliver or give any volatile substance to any person for purposes of inhalation in violation of subsection (2) of this section."

And on page 3, line 1, by deleting the words "to exceed" and inserting in lieu thereof the words "less than"

And on page 3, line 2, by inserting after the number "($100)" the following language: "nor more than five hundred dollars ($500) or imprisonment for not more than thirty (30) days, or both."

Floor Amendment No. 1 to **HB 204,** by Representative Pearman, is as follows:

Amend printed copy of **HB 204,** page 1, line 7, by deleting the word "*eighteen*" and substituting therefor: "*twenty-four*";

And on line 8, by deleting "*(18)*" and substituting therefor: "*(24)*";

And on line 8, by deleting "*twenty-four (24)*" and substituting therefor: "*thirty-six (36)*";

And on line 9, by adding after "other." the following: "*The county clerk may provide a plat cabinet with an appropriate index for those plats which are too large to be placed in a plat book.*

Section 2. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

Recording deed of trust or assignment for the benefit of creditors, provided the entire record thereof does not exceed three pages	$ 5.00
Exceeding three pages, for each page	1.50
Copy and certification of same when ordered	3.50
Each bond required to be taken or prepared by the clerk	2.00
Copy of any bond when ordered	1.50
Recording a bond, each bond	5.00
Receiving the acknowledgment or proof of any deed, mortgage or agreement, power of attorney, or other written instrument required by law to be done and certifying same	1.25
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of deed	3.50
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of real estate mortgage	3.50
Recording deed of assignment of real estate mortgage	5.00
Noting release of any lien, mortgage or redemption other than a deed of release	1.50
Receiving the acknowledgment, recording and certifying each deed of release of a mortgage or lien under KRS 382.360	5.00
Each additional marginal notation relating to same instrument	1.50
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	10.00
Recording survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city	10.00

Every order concerning the establishment, changing, closing or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed or discontinued, and by the applicant when it is not	1.00
Administering an oath and certificate thereof	1.00
Issuing license for which no other fee is fixed by law	1.50
Marriage license, bond, certificate and recording	4.00
For filing and indexing an original or continuation financing statement, and noting the security interest on the required receipt for one motor vehicle	6.00
For filing and indexing an assignment of a financing statement	6.00
For filing and noting a statement of release of collateral under a financing statement	1.00
Recording real estate options, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording power of attorney or revocation of power of attorney, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording plats, maps and surveys, not exceeding *24* [18] inches by *36* [24] inches, per page	10.00
Recording all leases which are recordable by law, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Marginal notation to same instrument	1.50
Filing or recording of certification of intention to operate a business under an assumed name	5.00
Filing or recording of mechanic's and artisan's liens under KRS Chapter 376	5.00
Filing or recording of notice of lien issued by the Internal Revenue Service	5.00
Filing or recording of notice of lien discharges issued by the Internal Revenue Service	5.00
Filing or recording of lis pendens notice concerning proceedings in bankruptcy and other lis pendens notices, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording United States liens, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording release of a United States lien, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording state tax or other state liens	5.00
Filing release of a state tax or other state lien	5.00
Filing notification and declaration and petition of candidates for office	5.00
Deposit of wills under KRS 394.110	5.00
Recording wills or other probate documents under KRS 394.300	5.00
Issuance of fish and game licenses or tags costing more than $1.00 each	.50
Registration of licenses for professional persons required to register with the county clerk	5.00
Recording and issuing articles, statements, or reports of corporations pursuant to KRS Chapter 271A, including articles of incorporation amendment, restatement of incorporation, merger, or dissolution and statements of establishment of a series of shares, cancellation of a series of shares, reduction of capital, intent to dissolve, revocation of voluntary dissolution, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Miscellaneous recordings for which no specific fee is set, provided the entire record thereof does not exceed three pages (except military discharges)	5.00
Exceeding three pages, each additional page	1.50
Filing miscellaneous documents for which no specific fee is set, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, each additional page	1.50

Floor Amendment No. 2 to **HB 62,** by Representative Dawahare, is as follows:

Amend printed copy of **HB 62** as follows:

Each Congressional District (7) will have equal amount of loans.

Floor Amendment No. 3 to **HB 261,** by Representative Crupper, is as follows:

Amend printed copy of **HB 261,** page 1, line 7, by inserting before the period "." the following language:

", except that farmers and landowners and their agents shall be exempt in order to protect from damage their property, crops, and livestock"

Floor Amendment No. 1 to **HB 412,** by Representative Hines, is as follows:

Amend printed copy of **HB 412,** page 3, line 17, by inserting a comma (,) after the word faculty.

And on page 3, line 18, by inserting the word "staff," before the word "and"

Adjournment

Representative B. Richardson moved that the House adjourn until 2 p.m., Thursday, February 21, 1980.

On the roll call the vote was yeas 50-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blythe, Boswell, Brown, Bruce, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Holbrook, Holloway, Isler, Kidd, Layman, Little, Mann, May, Moberly, Morris, Nett, Patrick, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, Schmidt, Stone, Thomason, Turner, Van Horn, White, Worthing. Nays 1-Dunn.

The motion to adjourn was adopted.

THURSDAY, FEBRUARY 21, 1980

TWENTY-EIGHTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Jerry Whitley, Chaplain, Kentucky Childrens' Home, Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of February 20, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HR 68, by Representatives Wright and Bronger: A RESOLUTION expressing extreme displeasure with the handling of the energy assistance money by the Kentucky Department for Human Resources.

HR 69, by Representative Plummer: A RESOLUTION recognizing and commending Bill Love, Executive of the Vanceburg Utilities Board.

HR 70, by Representatives B. Richardson and Schmidt: A RESOLUTION amending Rule 49 of the Rules of the House.

HR 71, by Representative Bendl: A RESOLUTION establishing the biennial Chuck Hardwick Award, and designating its first recipient.

Senate Message

Announcing passage of **HB 21** with Senate Amendment.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 569, HB 576.**

Banking and Insurance: **HB 571, HB 579, HB 587, SB 10, SB 132.**

Business Organizations and Professions: **HB 586, HB 588, HB 594.**

Cities: **HB 593, HB 595, HR 66.**

Counties and Special Districts: **HB 585.**

Education: **HR 65.**

Judiciary: **HB 570, HB 573, HB 575, HB 577, HB 578, HB 580, HB 589, HB 590, HB 591, SB 156.**

State Government: **HB 572, HB 574.**

Transportation: **HB 565, HB 581, HB 582, HB 583, HB 584, HB 592, HR 67, SB 6.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Banking and Insurance: **HB 106, HB 556.**

Elections and Constitutional Amendments: **HB 3, HB 557.**

Report of Committees

The Committee on Rules reported **HB 47, HB 62, HB 163, HB 231, HB 232, HB 318, HB 344, HB 356, HB 402,** and **SB 63,** have been posted for passage in Orders of the Day, February 22, 1980.

The Committee on Business Organizations and Professions reported **HB 164, HB 238** with Committee Substitute attached thereto, and **HB 466** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 164, AN ACT relating to polygraph examinations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO READ AS FOLLOWS:

(1) No employer, except for banks, savings and loans, and law enforcement agencies, shall require an employe or applicant for employment to submit to a polygraph examination at any time prior to, or during his employment.

(2) No employer shall coerce, threaten, fire, demote, discipline, refuse to hire, or otherwise discriminate against an employe who refuses to take a polygraph examination requested by the employer.

(3) Any employe or applicant for employment may maintain an action for lost wages or other damages from an employer or prospective employer for violations of this section. In the event the employe or applicant for employment prevails in the lawsuit, he shall be entitled to double damages.

HB 238, AN ACT relating to occupational and professional licensing.

WHEREAS, no occupation, profession or other endeavor shall be subject to the state's regulatory power unless the exercise of such power is necessary to protect the public health, safety or welfare; and

WHEREAS, regulation shall not be conducted in a manner which will adversely affect the competitive market in an unreasonable way; and

WHEREAS, there is a need for the systematic review by the General Assembly of the need for, and the public benefits derived from, regulatory activities.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 335A IS ESTABLISHED AND A NEW SECTION CREATED TO READ AS FOLLOWS:

This Act shall be referred to as the "Sunset" Act for Occupational Licensing.

SECTION 2. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

(1) The following statutes are repealed as of July 1, 1982:
(a) KRS Chapter 316 relating to Embalmers and Funeral Directors;
(b) KRS Chapter 317 relating to Barbers;
(c) KRS Chapter 317A relating to Hairdressers and Cosmetologists;
(d) KRS Chapter 318 relating to Plumbers and Plumbing;
(e) KRS Chapter 324 relating to Real Estate Brokers and Salesmen;
(f) KRS Chapter 328 relating to Watchmakers;
(g) KRS Chapter 329 relating to Detection of Deception Examiners; and
(h) KRS Chapter 330 relating to Auctioneers.
(2) The following statutes are repealed effective July 1, 1984:
(a) KRS Chapter 319 relating to Psychologists;
(b) KRS Chapter 322 relating to Professional Engineers and Land Surveyors;

(c) KRS Chapter 323 relating to Architects;
(d) KRS Chapter 323A relating to Landscape Architects;
(e) KRS Chapter 325 relating to Public Accountants;
(f) KRS Chapter 327 relating to Physical Therapists;
(g) KRS Chapter 334 relating to Hearing Aid Dealers and Fitters;
(h) KRS Chapter 334A relating to Speech Pathologists and Audiologists; and
(i) KRS Chapter 335 relating to Social Workers.
(3) The following statutes are repealed effective July 1, 1986:
(a) KRS Chapter 311 relating to Physicians, Osteopaths and Podiatrists;
(b) KRS Chapter 312 relating to Chiropractors;
(c) KRS Chapter 313 relating to Dentists and Dental Hygienists;
(d) KRS Chapter 314 relating to Registered Nurses and Practical Nurses;
(e) KRS Chapter 315 relating to Pharmacists;
(f) KRS Chapter 320 relating to Optometrists;
(g) KRS Chapter 321 relating to Veterinarians; and
(h) KRS Chapter 325 relating to Ophthalmic Dispensers.

(4) All agencies created under authority of KRS Chapters enumerated in this section will be terminated effective the same date the respective statutes are repealed. "Agency" is defined as any board, commission or any other regulatory instrumentality of state government created and functioning to license and regulate.

(5) The provisions of this Act shall not terminate any claim or right of a citizen against any such agency or any claim or right of an agency terminated pursuant to this Act which is subject to litigation. Said claims and rights shall be assumed by the Executive Department for Finance and Administration.

(6) All outstanding debts of the terminated agencies shall be assumed by the Executive Department for Finance and Administration and shall be paid from unexpended funds appropriated to the terminated agency. Should this amount not be sufficient to cover all debts, the difference shall be paid from the general fund. Should there be surplus funds after all obligations have been satisfied, the surplus shall revert to the general fund.

(7) Nothing in this Act shall be construed to prohibit the General Assembly from terminating an agency covered by these provisions at a date earlier than that provided herein, nor to prohibit the General Assembly from considering any other legislation relative to such agency.

SECTION 3. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

(1) Two (2) years prior to each scheduled statutory repeal and agency termination, the Legislative Research Commission or a duly designated committee thereof, shall conduct a comprehensive review and evaluation of the need for and the performance of the scheduled agencies. During the review and evaluation process, a public hearing shall be held at which the public shall have the opportunity to testify on the need for and the performance of the agency.

(2) The agency shall be evaluated for need and performance. In evaluating need, it must be demonstrated that the benefits to the public clearly outweigh the burden which regulation imposes and the burden of proof is on the agency. The following criteria shall be considered in evaluating need:

(a) Would the absence of regulation significantly harm or endanger the public health, safety or welfare?

(b) Is there a reasonable relationship between the exercise of the state's police power and the protection of the public health, safety or welfare?

(c) Is there another less restrictive method of regulation available which could adequately protect the public?

(d) Does the regulation have the effect of directly or indirectly increasing the costs of any goods or services involved, and if so, to what degree?

(e) Is the increase in cost more harmful to the public than the harm which could result from the absence of regulation?

(f) Are all facets of the regulatory process designed solely for the purpose of, and have as their primary effect, the protection of the public?

(3) If it is determined that a regulatory function is not needed, the evaluation report shall recommend that the respective agency be allowed to terminate. If, however, it is determined that a regulatory function is needed, the function will be additionally evaluated on its effectiveness and efficiency in executing its regulatory responsibilities. This evaluation shall include but not be limited to the following criteria:
(a) Has the agency permitted qualified applicants to serve the public?
(b) Has the agency supported affirmative action requirements by licensing minorities and women?
(c) Has the agency operated for the benefit of its licensees as opposed to the public interest?
(d) Has the agency sought criticism aimed at improvements from the public and from its licensees?

(e) Has the agency recommended statutory changes that would benefit the public, as opposed to those it regulates?

(f) Has the agency encouraged participation by the public in rule- and decision-making, as opposed to participation by the person it regulates?

(g) Have complaints from the public been handled efficiently?

(4) All agencies being reviewed and evaluated shall cooperate with the Legislative Research Commission and shall supply any and all information required and requested by the Legislative Research Commission to conduct its review.

(5) No agency under review shall expend public funds for the purpose of influencing its evaluation, except for funds expended in the process of generating information and other documentation required and requested by the Legislative Research Commission.

SECTION 4. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

(1) The Legislative Research Commission shall complete its evaluation report on an agency one (1) year prior to its scheduled termination date. The report shall include the findings of the evaluation and recommendations as to the termination, continuation or continuation with modification of the agency. If continuation or continuation with modification is recommended, appropriate legislation shall be included with the report. This legislation shall be prefiled for the next regular session of the General Assembly.

(2) The life of any agency continued or continued with modification shall not exceed six (6) years. Any newly created agency as defined by this Act shall have a life not to exceed six (6) years and shall be reviewed and evaluated as to need and performance as provided in Sections 2 and 3 of this Act. Continuation of the life of an agency, with or without modification, shall not be deemed to give continued effect to any administrative regulation adopted by the agency prior to such continuation. The regulations of each agency that is continued, with or without modification, shall expire on the termination date specified in Section 2 of the Act unless the agency resubmits such regulations for review and filing in accordance with KRS Chapter 13.

(3) A copy of each evaluation report shall be submitted to the Governor and to the Executive Department for Finance and Administration for consideration in preparing the executive budget.

The Committee Substitute to **HB 238** is as follows:

The Committee Substitute for **HB 238,** AN ACT relating to occupational and professional licensing.

WHEREAS, no occupation, profession or other endeavor shall be subject to the state's regulatory power unless the exercise of such power is necessary to protect the public health, safety or welfare; and

WHEREAS, regulation shall not be conducted in a manner which will adversely affect the competitive market in an unreasonable way; and

WHEREAS, there is a need for the systematic review by the General Assembly of the need for, and the public benefits derived from, regulatory activities.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 335A IS ESTABLISHED AND A NEW SECTION CREATED TO READ AS FOLLOWS:

This Act shall be referred to as the "sunset" act for occupational licensing.

SECTION 2. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

(1) The following statutes and agencies established thereunder shall be reviewed and evaluated and recommendation made to the general assembly by January 1, 1982:

(a) KRS Chapter 316 relating to embalmers and funeral directors, except for KRS 316.310 to 316.370 and KRS 316.991;

(b) KRS Chapter 317 relating to barbers;

(c) KRS Chapter 317A relating to hairdressers and cosmetologists;

(d) KRS Chapter 318 relating to plumbers and plumbing;

(e) KRS Chapter 324 relating to real estate brokers and salesmen;

(f) KRS Chapter 328 relating to watchmakers;

(g) KRS Chapter 329 relating to detection of deception examiners; and

(h) KRS Chapter 330 relating to auctioneers.

(2) The following statutes and agencies established thereunder shall be reviewed and evaluated and recommendations made to the general assembly by January 1, 1984:

(a) KRS Chapter 319 relating to psychologists;
(b) KRS Chapter 322 relating to professional engineers and land surveyors;
(c) KRS Chapter 323 relating to architects;
(d) KRS Chapter 323A relating to landscape architects;
(e) KRS Chapter 325 relating to public accountants;
(f) KRS Chapter 327 relating to physical therapists;
(g) KRS Chapter 334 relating to hearing aid dealers and fitters;
(h) KRS Chapter 334A relating to speech pathologists and audiologists; and
(i) KRS Chapter 335 relating to social workers.

(3) The following statutes and agencies established thereunder shall be reviewed and evaluated and recommendations made to the general assembly by January 1, 1986:

(a) KRS Chapter 311 relating to physicians, osteopaths and podiatrists;
(b) KRS Chapter 312 relating to chiropractors;
(c) KRS Chapter 313 relating to dentists and dental hygienists;
(d) KRS Chapter 314 relating to registered nurses and practical nurses;
(e) KRS Chapter 315 relating to pharmacists;
(f) KRS Chapter 320 relating to optometrists;
(g) KRS Chapter 321 relating to veterinarians; and
(h) KRS Chapter 325 relating to ophthalmic dispensers.

(4) "Agency" is defined as any board, commission or any other regulatory instrumentality of state government created and functioning to license and regulate.

SECTION 3. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

(1) Two (2) years prior to each scheduled review and evaluation, the legislative research commission or a duly designated committee thereof, shall conduct a comprehensive review and evaluation of the need for and the performance of the scheduled agencies and statutes. During the review and evaluation process, a public hearing shall be held at which the public shall have the opportunity to testify on the need for and the performance of the agency.

(2) The agency shall be evaluated for need and performance. In evaluating need, it must be demonstrated that the benefits to the public clearly outweigh the burden which regulation imposes and the burden of proof is on the agency. The following criteria shall be considered in evaluating need:

(a) Would the absence of regulation significantly harm or endanger the public health, safety or welfare?

(b) Is there a reasonable relationship between the exercise of the state's police power and the protection of the public health, safety or welfare?

(c) Is there another less restrictive method of regulation available which could adequately protect the public?

(d) Does the regulation have the effect of directly or indirectly increasing the costs of any goods or services involved, and if so, to what degree?

(e) Is the increase in cost more harmful to the public than the harm which could result from the absence of regulation?

(f) Are all facets of the regulatory process designed solely for the purpose of, and have as their primary effect, the protection of the public?

(3) If it is determined that a regulatory function is not needed, the evaluation report shall recommend that the respective agency be terminated. If, however, it is determined that a regulatory function is needed, the function will be additionally evaluated on its effectiveness and efficiency in executing its regulatory responsibilities. This evaluation shall include but not be limited to the following criteria:

(a) Has the agency permitted qualified applicants to serve the public?
(b) Has the agency supported affirmative action requirements by licensing minorities and women?
(c) Has the agency operated for the benefit of its licensees as opposed to the public interest?
(d) Has the agency sought criticism aimed at improvements from the public and from its licensees?

(e) Has the agency recommended statutory changes that would benefit the public, as opposed to those it regulates?

(f) Has the agency encouraged participation by the public in rule- and decision-making, as opposed to participation by the person it regulates?

(g) Have complaints from the public been handled efficiently?

(4) All agencies being reviewed and evaluated shall cooperate with the legislative research commission and shall supply any and all information required and requested by the legislative research commission to conduct its review.

(5) No agency under review shall expend public funds for the purpose of influencing its evaluation, except for funds expended in the process of generating information and other documentation required and requested by the legislative research commission.

SECTION 4. A NEW SECTION OF KRS CHAPTER 335A IS CREATED TO READ AS FOLLOWS:

(1) The legislative research commission shall complete its evaluation report on an agency six (6) months prior to its scheduled completion date. The report shall include the findings of the evaluation and recommendations as to the termination, continuation or continuation with modification of the agency.

(2) Any agency continued or continued with modification shall be again subject to review and evaluation after six (6) years. Any newly created agency as defined by this Act shall have a life not to exceed six (6) years and shall be reviewed and evaluated as to need and performance as provided in Sections 3 and 4 of this Act.

(3) A copy of each evaluation report shall be submitted to the governor and to the department of finance for consideration in preparing the executive budget.

HB 466, AN ACT relating to the thoroughbred development fund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 230.400 is amended to read as follows:

(1) There is hereby created a trust and revolving fund for the Kentucky state racing commission, designated as the Kentucky thoroughbred development fund, consisting of money allocated to the fund under the provisions of KRS 138.510, together with such other money as may be contributed to or allocated to the fund from all other sources. Money to the credit of the Kentucky thoroughbred development fund shall be distributed by the treasurer for the purposes herein provided upon authorization of the Kentucky state racing commission and upon approval of the secretary of the executive department for finance and administration. Money to the credit of the Kentucky thoroughbred development fund at the end of each fiscal year shall not lapse, but shall be carried forward in such fund to the succeeding fiscal year.

(2) There is hereby established, under the general jurisdiction of the Kentucky state racing commission, a Kentucky thoroughbred development fund advisory committee. The advisory committee shall consist of five (5) members, all of whom shall be residents of Kentucky, to be appointed by the chairman of the Kentucky state racing commission by July 1 of each year. The committee shall consist of two (2) thoroughbred breeders recommended by Thoroughbred Breeders of Kentucky, Inc.; one (1) thoroughbred owner recommended by the Kentucky division of the horsemen's benevolent and protective association; one (1) officer or director of a licensed association conducting thoroughbred racing in Kentucky, recommended by action of all of the licensed associations conducting thoroughbred racing in Kentucky; and one (1) member of the Kentucky state racing commission. If any member other than the commission member has not been recommended for appointment by July 1 of each year, the chairman of the Kentucky state racing commission shall make an appointment for the organization or organizations failing to so recommend a member of the committee. The members of the advisory committee shall serve without compensation, but shall be entitled to reimbursement for all expenses incurred in the discharge of official business. The advisory committee shall select from its membership annually a chairman and a vice chairman.

(3) (a) The Kentucky thoroughbred development fund committee shall advise and assist the Kentucky state racing commission in the development of the supplemental purse program provided herein for Kentucky bred thoroughbreds, shall make recommendations to the commission from time to time with respect to the establishment of guidelines, rules and regulations for the provision of such supplemental purses, the amount [thereof, the races for which such purses are to be provided] and the conditions thereof, manner and method of payment of such supplemental purses, registry of thoroughbred stallions standing within the Commonwealth of Kentucky, registry of Kentucky bred thoroughbreds for purposes of this section, nature and type of forms and reports to be employed and required in connection with the establishment, provision for, award and payment of such supplemental purses and with respect to all other matters necessary in connection with the carrying out of the intent and purposes of this section.

(b) The Kentucky state racing commission shall employ such qualified personnel as may be required to assist the commission and the advisory committee in carrying out the provisions of this section. Such persons shall serve at the pleasure of the commission and compensation for such personnel shall be fixed by the commission. The compensation of such personnel and the necessary expenses incurred by the commission or by the committee in carrying out the provisions of this section shall be paid out of the Kentucky thoroughbred development fund.

(4) The Kentucky state racing commission, with the advice and assistance of the Kentucky thoroughbred development fund advisory committee, shall use the Kentucky thoroughbred development fund to promote, enhance, improve and encourage the further and continued development of the thoroughbred breeding industry in Kentucky by providing, out of the Kentucky thoroughbred development fund, supplemental purses for *all* [designated stakes, handicap, allowance and non-claiming maiden] races contested at

licensed thoroughbred race meetings in Kentucky, the awarding and payment of which supplemental purses shall be conditioned upon the winning or placing in *all* [such] races by Kentucky bred thoroughbred horses. *The* [Any] supplemental purse provided *shall be proportionate with the amount of the purse offered by the racing association and* [for a designated race] shall be apportioned among the winning and placing horses in the same proportion as the stake or purse provided for such race by the racing association. Winning or placing as used in this section shall include those horses finishing first, second, third and fourth in such races. That portion of the supplemental purse provided for any such designated race for a winning or placing finish shall be awarded and paid to the owner of the horse so finishing only if such horse is a Kentucky bred thoroughbred duly registered as such with the official registrar. Any portion of the supplemental purse which is not awarded and paid over shall be returned to the Kentucky thoroughbred development fund.

(5) (a) For purposes of this section, the term Kentucky thoroughbred stallion shall mean and include only a thoroughbred stallion standing the entire breeding season in Kentucky and registered as a Kentucky thoroughbred stallion with the official registrar of the Kentucky thoroughbred development fund.

(b) Except for thoroughbred horses foaled prior to January 1, 1980, the term Kentucky bred thoroughbreds for purposes of this section, shall mean and include only thoroughbred horses sired by Kentucky thoroughbred stallions foaled in Kentucky and registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund.

(c) Any thoroughbred horse foaled prior to January 1, 1980, may qualify as a Kentucky bred thoroughbred for purposes of this section if such horse was foaled in Kentucky and if the sire of such thoroughbred was standing at stud within Kentucky at the time of conception of such thoroughbred, provided such thoroughbred is duly registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund.

(d) In order for an owner of a Kentucky sired thoroughbred to be eligible to demand, claim and receive a portion of a supplemental purse provided by the Kentucky thoroughbred development fund, *it* [the thoroughbred horse winning or placing in a designated race for which a supplemental purse has been provided by the Kentucky thoroughbred development fund] must have been duly registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund prior to entry in such race.

(6) (a) Thoroughbred Breeders of Kentucky, Inc., is hereby recognized and designated as the sole official registrar of the Kentucky thoroughbred development fund for the purposes of registering Kentucky thoroughbred stallions and Kentucky bred thoroughbreds in accord with the terms of this section and such rules and regulations as may be promulgated by the Kentucky state racing commission. When a Kentucky bred thoroughbred is registered with the official registrar, the registrar shall be authorized to stamp the Jockey Club certificate issued for such thoroughbred with the seal of the registrar, certifying that the said thoroughbred is a duly qualified and registered Kentucky bred thoroughbred for purposes of this section. The registrar may establish and charge, with the approval of the commission, reasonable registration fees *which, in any event, shall not exceed twenty-five dollars ($25.00),* for its services in the registration of Kentucky thoroughbred stallions and in the registration of Kentucky bred thoroughbreds. Registration records of the registrar shall be public records and open to public inspection at all normal business hours and times.

(b) Any interested party aggrieved by the failure or refusal of the official registrar to register a stallion or thoroughbred as a Kentucky stallion or as a Kentucky bred thoroughbred shall have the right to file with the commission, within thirty (30) days of such failure or refusal of the registrar, petition seeking registration of such thoroughbred. The commission shall promptly hear the matter de novo and issue its order directing the official registrar to register or not to register as it may be determined by the commission.

(7) The Kentucky state racing commission shall adopt such rules and regulations as may be necessary to carry out the provisions and purposes of this section, including the adoption of such rules and forms as may be appropriate for the proper registration of Kentucky stallions and Kentucky bred thoroughbreds with the official registrar, and shall administer the Kentucky thoroughbred program created hereby in a manner best designed to promote and aid in the further development of the thoroughbred breeding industry in Kentucky, to upgrade the quality of thoroughbred racing in Kentucky and to improve the quality of thoroughbred horses bred in Kentucky.

The Committee on Labor and Industry reported **HB 182,** and **HB 377** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 182, AN ACT relating to work on Sunday.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 436.165 is amended to read as follows:

[In addition to the provisions of KRS 436.160:

(1) The legislative body of any city, except as to activities permitted under KRS 436.160, shall have the exclusive power to enact ordinances or orders permitting and regulating other retail sales and activities on Sunday within its jurisdictional boundaries, subject to subsection (3) hereof.

(2) The fiscal court of each county, except as to activities permitted under KRS 436.160, shall have exclusive power to enact resolutions or orders permitting and regulating other retail sales and activities on Sunday in that portion of the county which lies outside of the corporate limits of any cities within said county, subject to subsection (3) hereof.

(3) Notwithstanding subsections (1) and (2) of this section, any ordinance, resolution or order adopted by the legislative body of any city or the fiscal court of any county pertaining to retail sales and activities on Sunday shall be subject to the following limitations:]

(1)[(a)] No employer shall require as a condition of employment that any employe work on Sunday or on any other day of the week which any such employe may conscientiously wish to observe as a religious Sabbath.

(2)[(b)] No employer shall in any way discriminate in the hiring or retaining of employes between those who designate a Sabbath as their day of rest and those who do not make such designation, provided, however, that the payment of premium or overtime wage rates for Sunday employment shall not be deemed discriminatory.

(3) The governing body of any city, county or urban-county government may enact ordinances regulating retail sales on Sundays between the hours of 6:00 a.m. and Noon, except for essential retail businesses which include, but are not limited to, grocery stores, drug stores, gas stations, restaurants, hotels and motels. [(c) No person permitted, under the provisions of this section, to engage in a retail business on Sunday shall be open to the public between the hours of 6:00 A.M. and Noon on any Sunday.]

(4)[(d)] Every employer engaged in retail sales on Sunday shall allow each person employed by him in connection with such business or service at least twenty-four (24) consecutive hours of rest in each calendar week in addition to the regular periods of rest normally allowed or legally required in each working day.

(5) No business shall be required to be open on Sunday as part of a lease agreement, franchise agreement or any other contractual arrangement. The provisions of this subsection shall not apply to any lease agreement, franchise agreement or any other contractual arrangement entered into before the effective date of this Act.

Section 2. KRS 436.160 Working on Sunday — Work of necessity or charity, athletic games and certain businesses and employers excluded — Penalty, is repealed.

HB 377, AN ACT relating to gratuities for employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.010 is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) "Commissioner" means commissioner of labor;

(b) "Department" means department of labor;

(c) "Wages" include any compensation due to an employe by reason of his employment, such compensation to include salaries, commissions, vested vacation pay, overtime pay, severance or dismissal pay, earned bonuses and any other similar advantages agreed upon by the employer and the employe or provided to employes as an established policy; such wages to be payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such allowances made in this chapter;

(d) "Employer" is any person, either individual, corporation, partnership, agency or firm who employs an employe and includes any person, either individual, corporation, partnership, agency or firm acting directly or indirectly in the interest of an employer in relation to an employe; and

(e) "Employe" is any person employed by or suffered or permitted to work for an employer, *and includes the plural when the context so requires.*

(2) As used in KRS 337.275 to 337.325, 337.345 and 337.385 to 337.405 unless the context requires otherwise:

(a) "Employe" is any person employed by or suffered or permitted to work for an employer, but shall not include:

(i) Any individual employed in agriculture;

(ii) Any individual employed in a bona fide executive, administrative, supervisory or professional capacity, or in the capacity of outside salesman, or as an outside collector as such terms are defined by administrative regulations of the commissioner;

(iii) Any individual employed by the United States;

(iv) Any individual employed in domestic service in or about a private home. The provisions of this section shall include individuals employed in domestic service in or about the home of an employer where there is more than one domestic servant regularly employed;

(v) Any individual classified and given a certificate by the commissioner of labor showing a status of learner, apprentice, handicapped worker, sheltered workshop employe, and student under administrative procedures and administrative regulations as prescribed and promulgated by the commissioner of labor. This certificate shall authorize employment at such wages, less than the established fixed minimum fair wage rates, and for such period of time as shall be fixed by the commissioner and stated in the certificate issued to such person;

(vi) Employes of retail stores, service industries, hotels, motels, and restaurant operations whose average annual gross volume of sales made for business done is less than ninety-five thousand dollars ($95,000) for the five (5) preceding years exclusive of excise taxes at the retail level or if the employe is the parent, spouse, child, or other member of his employer's immediate family;

(vii) Any individual employed as a babysitter in employer's home, or live-in companion to a sick, convalescing or elderly person whose principal duties do not include housekeeping;

(viii) Any individual engaged in the delivery of newspapers to the consumer;

(ix) Any individual subject to the provisions of KRS Chapters 7, 16, 27A, 30A, and 18 provided that the commissioner of personnel shall have the authority to prescribe by administrative regulation those emergency employes, or others who shall receive overtime pay rates as necessary for the efficient operation of government and the protection of affected employes;

(b) "Agriculture" means farming in all its branches, including the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodity, the raising of livestock, bees, furbearing animals or poultry, and any practice, including any forestry or lumbering operations, performed on a farm in conjunction with such farming operations, including the preparation and delivery of produce to storage, or to market or to carriers for transportation to market;

(c) "Gratuity" means *a* [voluntary] monetary contribution received by an employe from a guest, patron or customer for services rendered;

(d) "Tipped employe" means any employe engaged in an occupation in which he customarily and regularly receives more than $20.00 per month in tips;

(e) "U.S.C." means the United States Code.

(3) As used in KRS 337.505 to 337.550 unless the context requires otherwise:

(a) "Construction" includes construction, reconstruction, improvement, enlargement, alteration or repair of any public works by contract fairly estimated to cost more than $500;

(b) "Contractor" and "subcontractor" include any superintendent, foreman, or other authorized agent of any contractor or subcontractor who is in charge of the construction of the public works or who is in charge of the employment or payment of the employes of such contractor or subcontractor who are employed in performing the work to be done or being done by the contractor or subcontractor under the particular contract with any public authority;

(c) 1. "Locality" shall be determined by the commissioner of labor. He may designate more than one county as a single locality but, if more than one county is designated, such multi-county locality shall not extend beyond the boundaries of the federal congressional district in which that county is located. In no event shall he designate less than an entire county as a locality.

2. "Locality" with respect to contracts advertised or awarded by the department of transportation of this state shall be determined by the secretary of transportation. He may designate any number of counties as constituting a single locality. He may also designate all counties of the Commonwealth as a single locality, but in no event, shall he designate less than an entire county as a locality;

(d) "Public authority" means any officer, board, or commission of this state, or any political subdivision or department thereof in the state, or any institution supported in whole or in part by public funds, including publicly owned or controlled corporations, authorized by law to enter into any contract for the construction of public works and any nonprofit corporation funded to act as an agency and instrumentality of the government agency in connection with the construction of public building facilities, including but not limited to the types of entities funded through revenue bonds; and

(e) "Public works" includes all buildings, roads, streets, alleys, sewers, ditches, sewage disposal plants, waterworks and all other structures or work constructed under contract with any public authority.

(4) In any case where the federal government or any of its agencies furnishes by loans or grants any part of the funds used in constructing public works, and if the federal government or its agencies prescribe predetermined prevailing minimum wages to be paid to mechanics, workmen, and laborers employed in the construction of such public works and where KRS 337.505 to 337.550 is also applicable, those wages in each classification which are higher shall prevail.

Section 2. KRS 337.065 is amended to read as follows:

(1) No employer shall require an employe to remit to the employer any gratuity, or any portion thereof, except for the purpose of withholding amounts required by federal or state law. The amount withheld from such gratuity shall not exceed the amount required by federal or state law.

(2) *No hotel, motel or restaurant employer, who in addition to the charge for the service performed makes a charge for employe services, shall fail to remit to the employe the entire amount charged for employe services, except for the purpose of withholding amounts required by federal or state law. The amount withheld shall not exceed the amount required by federal or state law. However, nothing contained in this section shall prevent employes from entering into an agreement to divide gratuities among themselves* [As used in this section "gratuity" means voluntary monetary contribution received by an employe from a guest, patron, or customer for services rendered].

Section 3. KRS 337.385 is amended to read as follows:

(1) Any employer who pays any employe less than wages and overtime compensation to which such employe is entitled under or by virtue of KRS 337.020 to 337.285 shall be liable to such employe affected for the full amount of such wages and overtime compensation, less any amount actually paid to such employe by the employer, for an additional equal amount as liquidated damages, and for costs and such reasonable attorney's fees as may be allowed by the court. Provided, that if, in any action commenced to recover such unpaid wages or liquidated damages, the employer shows to the satisfaction of the court that the act or omission giving rise to such action was in good faith and that he had reasonable grounds for believing that his act or omission was not a violation of KRS 337.020 to 337.285, the court may, in its sound discretion, award no liquidated damages, or award any amount thereof not to exceed the amount specified in this section. Any agreement between such employe and the employer to work for less than the applicable wage rate shall be no defense to such action. Such action may be maintained in any court of competent jurisdiction by any one or more employes for and in behalf of himself or themselves.

(2) *Any employer who fails to remit to an employe the amount to which such employe is entitled under or by virtue of KRS 337.065(2) shall be liable to such employe affected for the full amount, for an additional amount equal to three (3) times the amount charged for liquidated damages, and for costs and such reasonable attorney fees as may be allowed by the court. Such action may be maintained in any court of competent jurisdiction by any one or more employes for and in behalf of himself or themselves, and others similarly situated.*

(3) At the written request of any employe paid less than the amount to which he is entitled under the provisions of KRS 337.020 to 337.285, the commissioner may take an assignment of such wage claim in trust for the assigning employe and may bring any legal action necessary to collect such claim, and the employer shall be required to pay the costs and such reasonable attorney's fees as may be allowed by the court. The commissioner in case of suit shall have power to join various claimants against the same employer in one action.

The Committee Amendment No. 1 to **HB 377** is as follows:

Amend printed copy of **HB 377,** page 7, line 8, following the period and before "The" insert the following: Provided, however, that if the employer indicates to the guest, patron or customer, by notice on the bill for services or in the contract for services, that the amount is a service charge, not a gratuity for employes, this section shall not apply.

The Committee on State Government reported **HB 265** with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee on State Government reported **HB 462** with Committee Amendment attached thereto, **HB 464, HR 49,** and **SB 99** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 462. AN ACT relating to economic development in local governments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 103.200 is amended to read as follows:

As used in KRS 103.200 to 103.285, "building" or "industrial building" means any *land and building or buildings (including office buildings), any facility or other improvement thereon, and all real and personal properties, including operating equipment and machinery deemed necessary in connection therewith, whether or not now in existence, which shall be suitable for the following or any combination thereof:*

(1) Any activity, business or industry for the manufacturing, processing or assembling of any commercial product, including agricultural, mining or manufactured products, together with storage, warehousing and distribution facilities in respect thereof;

(2) Any commercial enterprise engaged in selling, providing or handling any financial service to the general public;

(3) Any undertaking involving the construction, reconstruction and use of airports, mass commuting facilities, ship canals, ports or port facilities, docks or wharf facilities or harbor facilities, off-street parking facilities or of railroads, monorails or tramways, railway or airline terminals, cable television, mass communication facilities, and related facilities;

(4) All or any part of any office building or buildings for the use of such tenant or tenants as may be determined or authorized by the city or county issuing bonds, including without limitation, any industrial, commercial, financial or service enterprise or any nonprofit domestic corporation or enterprise now or hereafter organized, whose purpose is the promotion of the economy of the Commonwealth or the health, welfare and safety of the citizens of the Commonwealth;

(5) Any buildings, structures and facilities, including the site thereof and machinery, equipment and furnishings suitable for use as health care or related facilities, including without limitation, hospitals, clinics, nursing homes, research facilities, extended or long-term care facilities, including housing for the aged or the infirm and all buildings, structures and facilities deemed necessary or useful in connection therewith;

(6) Any nonprofit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including but not limited to classroom, laboratory, housing, administrative, physical educational and medical research and treatment facilities;

(7) Any facilities for any recreation or amusement park, public park or theme park, including specifically facilities for the use of nonprofit entities in making recreational and cultural benefits available to the public;

(8) Any commercial facilities constructed primarily for making wholesale or retail sales to the general public, if such facilities constitute new construction or substantial reconstruction;

(9) Any medical office building whether or not contiguous with or related to a hospital or health care facility;

(10) Any facilities involving manufacturing and service industries which process raw agricultural products, including timber, provide value added functions, or supply ingredients used for production of basic agricultural crops and products;

(11) Any facilities incident to the development of industrial sites, including land costs and the costs of site improvements thereon, such as grading, streets, drainage, storm and sanitary sewers, and other facilities and structures incidental to the use of such site or sites for industrial, commercial or residential use;

(12) Any facilities for the local furnishing of electric energy or gas, or facilities for the furnishing of water if available on reasonable demand to members of the general public;

(13) Any facilities for the extraction, production, grading, separating, washing, drying, preparing, sorting, loading and distribution of mineral resources, together with related facilities;

(14) Any convention or trade show facilities, together with all related and subordinate facilities necessary to the development and proper utilization thereof;

(15) Any facilities designed and constructed for use as multi-family residential real property for family units, provided that such multi-family developments shall consist of not less than thirty family units.

(16) Any facilities designed and constructed to be used as hotels and/or motels, together with all related and subordinate facilities necessary to the operation thereof, including site preparation and similar facilities. [building, structure, machinery, equipment or related improved site, area or edifice suitable for and intended for use as, or in connection with the use of, a factory, mill, shop, processing plant, assembly plant, fabricating plant, coal conversion facility, hospital, facility for the treatment or care of the aged or the infirm, medical office building contiguous or related to a hospital, terminal, port, agribusiness, or any other facility useful or to be used in support of or as a part of the operation of any of the foregoing, including any office building, warehouse, parking or pollution control area or structure or industrial transportation facility (including railroad tracks, and docks, wharves, grain handling and storage and other port facilities directly related thereto, but excluding rolling stock used outside of an industrial building), or any of these things, to be rented or leased to a domestic or foreign corporation by the Kentucky development finance authority, the city or the county by which it is acquired. A processing plant, within the meaning of this section, shall include any plant established as a manufacturer's distribution center for the packaging or re-distribution of products, any product modification center, and any plant established for the purpose of processing minerals, including the washing, drying, separating, grading, preparing, sorting, and the loading thereof. As used in this section, agribusiness means that segment of the manufacturing and service industries which processes raw agricultural products, including timber, provides value added functions, or supplies ingredients used for production of basic agricultural crops and products.]

Section 2. KRS 103.210 is amended to read as follows:

(1) In order to *promote the economic development of the Commonwealth,* promote reconversion to peacetime economy, to relieve conditions of unemployment, to aid in the rehabilitation of returning veterans, to encourage the increase of industry in this state, and to aid in the retention of existing industry through the control of pollution or through conversion of energy facilities to more readily available fuels, any city or county may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building, either by purchase or construction, but only after an ordinance or resolution has been adopted by the legislative body of the city or the fiscal court of the county, or the governing body of Kentucky development finance authority, as the case may be, specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. This section shall not be deemed to require, however, that such ordinance or resolution be adopted prior to interim financing of the project, if such interim financing was undertaken by the proposed lessee corporation upon the basis of discussions between the corporation and responsible officials of the issuer which were later formally ratified by the appropriate governing body of the issuer. The ordinance or resolution shall further provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to *103.285* [103.280]. Each such bond-authorizing ordinance or resolution shall be effective only after publication, in a newspaper authorized to publish official advertisements for the issuer, of the title to said ordinance or resolution, together with a statement signed by the clerk of the issuer setting forth the amount of the issue, the name of the lessee corporation, and the fact that the bonds are to be retired from the proceeds of *either* the lease payments as set forth in KRS 103.200 to 103.285 inclusive, *or the loan payments or sale payments in the event the industrial building financing transaction is carried out pursuant to a loan agreement, sale agreement or other financing agreement.* No publication of the complete ordinance or resolution shall be required, but said ordinance or resolution shall be entered upon the records of the issuer and shall be available for public inspection.

(2) Kentucky development finance authority, *any air board established pursuant to KRS 183.132 and any riverport authority established as provided in KRS 65.510 to 65.650, inclusive, shall have and possess all power and authority granted to cities and counties by the provisions of KRS 103.200 to 103.285, inclusive, for the financing of industrial buildings. For such purposes, the terms "city," "county" and "issuer" as used in KRS 103.200 to 103.285, inclusive, shall also mean and refer to Kentucky development finance authority, any air board established pursuant to KRS 183.132 and any riverport authority established as provided in KRS 65.510 to 65.650. The power and authority granted to Kentucky development finance authority, any air board and any riverport authority shall be and constitute an additional and alternative grant of power and authority to such governmental agencies, and shall not be construed as being in derogation of any other powers vested in each of such governmental agencies* [is authorized to issue bonds for the purposes and in the manner provided in this section, but only for the purposes of financing (a) the acquisition or construction of an industrial building which is or will be located within the boundaries of a riverport or organized industrial park as defined by the authority upon the basis of statutory provisions relating to riverports and industrial parks, or (b) pollution control facilities in any area of the Commonwealth in connection with a loan agreement with the small business administration. Issuance of bonds in such areas by the Kentucky development finance authority shall be an alternative to issuance by a city or a county, and when acting in the capacity of an issuer of such bonds the authority shall act through its officers and the members of its governing board in the same manner as a county acting through its county judge/executive, county clerk and fiscal court. Bonds so issued shall be issued in the name of the authority].

SECTION 3. A NEW SECTION OF KRS CHAPTER 103 IS CREATED TO READ AS FOLLOWS:

(1) As an alternative to the procedures set forth in KRS 103.200 to 103.285, inclusive, any city or county, for the purpose of financing the acquisition of an industrial building, may issue negotiable bonds pursuant to KRS 103.200 to 103.285, inclusive. and either:

(a) Loan the proceeds from the sale of such bonds to a corporation to finance the acquisition of such industrial building facilities;

(b) Sell such industrial building facilities to a corporation pursuant to agreement; or

(c) Lease such industrial building facilities from a corporation and sublease same to such corporation.

In the event of use of such alternative financing procedure, such bonds shall not constitute an indebtedness of such city or county within the meaning of the constitution of Kentucky, but shall be payable as to principal and interest solely from the revenues derived from payments, repayments, or sublease payments made by such corporation to such city or county in respect of such loan, sale or sublease.

(2) In the event that an alternate procedure authorized by this section is to be utilized in the financing of an industrial building:

(a) The provisions of KRS 103.200 to 103.285, inclusive, shall apply, except that the proceedings and procedures therein described shall contemplate and authorize a transaction in the form of:

1. A loan of the proceeds from the sale of such bonds by such city or county to a corporation for the acquisition of such industrial building:

2. A sale of such industrial building to a corporation pursuant to agreement; or

3. A lease of such industrial building from a corporation and sublease of same to such corporation; and

(b) The loan, sale, lease and sublease and any agreement or contract with respect thereto may include such provisions as such city or county shall deem appropriate to effect the securing of the financing undertaken in respect of such industrial building, including, but not by way of limitation:

1. The pledge of the general credit of any such corporation;

2. The making of guarantees to an indenture trustee or to such city or county in respect of amortization of such bonds by any such corporation;

3. The creation of liens or security interests on any property or portion thereof of any such corporation, either senior or junior to, or ranking equally with, any other lien, security interest or rights of others, including any party or parties to any agreement in connection with such financing and/or its or their respective security holders and indenture trustees or mortgage trustees; and

4. The pledge of other direct securities of such corporation in respect of such bonds.

(3) In the event any city or county shall finance an industrial building pursuant to the express authority contained in this section, title to such industrial building shall not be acquired by such city or county in the case of a loan or lease transaction, and, in the case of a sale transaction, title may pass at any time, and neither the statutory mortgage lien for which provision is made in KRS 103.250 nor the foreclosable mortgage lien for which provision is made in KRS 103.251 shall apply to any such industrial building facilities.

The Committee Amendment No. 1 to **HB 462** is as follows:

Amend printed copy of **HB 462,** page 3, line 26, and on page 4, line 1, following the word "*any*" delete the following: "*facilities for the local furnishing of electric energy or gas, or*".

HB 464, AN ACT relating to the Kentucky development finance authority.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.005 is amended to read as follows:

It is the purpose of this chapter to promote the health, safety, morals, right to gainful employment, business and economic development opportunities and general welfare of the inhabitants of the Commonwealth by the creation of a body corporate and politic to be known as the "Kentucky development finance authority" which shall exist and operate for the public purpose of alleviating unemployment and furthering the utilization of natural and man-made resources by the promotion and development of *business,* industrial, manufacturing, tourist and agricultural enterprises in local communities of the Commonwealth. Such purposes are hereby declared to be public purposes for which public money may be spent.

Section 2. KRS 154.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Authority" means the Kentucky development finance authority;

(2) "Local development agency" means any incorporated organization, commission, cooperative, foundation, association or agency. regardless of the particular name, to whose members or shareholders no profit inures, and which has as its primary function the promotion, encouragement and development of *business* [industrial and manufacturing] enterprises;

(3) "Industrial building project" means any site, structure, *or* facility *acquired or constructed for ownership by a local development agency to be held for sale or lease to an enterprise as an inducement for business to locate in a community* [or undertaking comprising or being connected with or being a part of an industrial or manufacturing enterprise established or to be established by a local development agency, and may, in addition and only for the purpose of any guarantee or insurance contract as provided in this chapter, include an industrial subdivision project as defined in this chapter, or a river port authority as established by statute];

(4) "Industrial subdivision project" means any tract of land of not less than twenty-five (25) acres, located within or near the corporate limits of a city, together with utilities, services, and access roads, to be acquired by a local development agency and sold or leased to one or more manufacturing enterprises;

(5) "Agricultural project" means any site, structure, facility or undertaking, including machinery or equipment to the extent permitted by regulation, recommended by a local development corporation and concerned with the processing of raw agricultural products, including timber, or providing value added functions or supplying ingredients used for the production of basic agricultural crops and products; and shall include grain elevators and storage facilities, canneries, and horticultural, bee-keeping, meat packing, agricultural publication, fertilizer and specialty food product facilities;

(6) "Area of responsibility" means one (1) or more of the *four (4)* [three (3)] economic activities in which the authority is empowered to render assistance: (a) *industrial buildings and subdivisions,* [industry and manufacturing, which may, for the purposes of the insurance and guarantee provisions of this chapter, include industrial subdivision projects and undertakings by riverport authorities,] (b) agriculture, [and] (c) tourism, *and (d) manufacturing*;

(7) "Assistance fee" means any payment made by the authority to the insurance corporation from one of the mortgage insurance funds in the establishment of an industrial building, *industrial subdivision, manufacturing,* agricultural or tourist project;

(8) "Contract" means the agreement between the authority and the insurance corporation under the terms of which the latter undertakes to insure the payment of mortgage loans;

(9) "Federal application" means an application to the government;

(10) "Government" means the United States of America or one of its agencies which is authorized to make or to guarantee loans for an industrial building, *industrial subdivision, manufacturing,* agricultural or tourist project, including the small business administration, the farmers home administration, the economic development administration, the department of housing and urban development and the Appalachian regional commission;

(11) "Insurance corporation" means that nonprofit mortgage insurance corporation which may be established at the request of the authority as provided in KRS 154.040;

[(12) "Interim guarantee" means that guarantee of a mortgage entered into by the insurance corporation for the period beginning with the preparation of the federal application and ending with an immediate or deferred guarantee participation in the loan;]

(12)[(13)] "Loan application" means either an application for a direct loan to be made from the funds appropriated to the authority for the purpose, or an application for insurance of a loan made or to be made by another governmental lender or by a private person or corporation, whether on an interim or a permanent basis;

[(14) "Local development corporation" means a corporation formed for the primary purpose of furthering economic development in a defined area of Kentucky in any one or more areas of responsibility, or a tourist commission established by a municipal corporation by ordinance or resolution. If a corporation, it shall have at least 75% of its ownership and control vested in individuals residing or doing business in the area development district in which it is operating. No more than 25% of the ownership and control of such corporation may be held (a) by a single individual or corporation (including affiliates) if such individual or corporation has an interest in the project to be developed, or (b) by the owner of any major interest in any business being assisted by an authority loan or loan guaranty;]

(13)[(15)] "Mortgage insurance fund" means *those funds granted to the insurance corporation to be held in a trust account as reserve for insurance commitments and from which valid insurance claims shall be paid* [any one of the three (3) funds established by the chapter, one (1) for each area of responsibility, from which payments may be made or advanced to the insurance corporation in payment of assistance fees];

(14)[(16)] *"Guarantee"* ["Permanent guarantee"] means *the insurance or guarantee, by the insurance corporation, or the repayment of a first mortgage loan or the repayment of the debt arising from the issuance of industrial development revenue bonds issued under KRS Chapter 103* [(a) the guarantee made by the insurance corporation in excess of the amount which will be guaranteed by the government if the application to the government is accepted, or (b) if the application to the government is not accepted, the obligation of the insurance corporation to the extent to which it may exist under the terms of any specific agreement, or (c) in the case of an industrial subdivision or riverport authority project, a coparticipation as permitted for direct loans under KRS 154.080 or 154.125, or of an agricultural or tourist project, the guarantee made by the insurance corporation to a project for which federal application has been or is being made, but which is otherwise eligible under regulations prescribed by the authority under this chapter];

(15)[(17)] "Tourist project" means any site, structure, facility or undertaking, including equipment and fixtures to the extent permitted by regulation, recommended by a local development corporation and concerned with tourism; [and]

(16)[(18)] "Trust account" means that account in one or more trust companies in the name of the insurance corporation into which shall be paid all of the assistance fees *and mortgage insurance funds* paid to the insurance corporation under the contract with the authority*;*[.]

(17) "Bond" means a revenue bond issued under the provisions of KRS 103.200 to 103.285, or issued under the provisions of this chapter;

(18) "Manufacturing project" means any site, structure, facility or undertaking, including machinery and equipment, engaged in or to be engaged in the creation of finished goods from raw materials, or assembling, or packaging, or fabricating, or warehousing, or distributing or otherwise dealing with products, but not including retailing; and

(19) "Umbrella bond" means a revenue bond issued under the provisions of this chapter, the proceeds of which may be used to make loans which are secured by guarantees of the government or the insurance corporation and which may be used to finance more than one project.

Section 3. KRS 154.020 is amended to read as follows:

(1) There shall be a development finance authority in the state government which shall be known as the Kentucky development finance authority, which shall be an independent agency of the Commonwealth *reporting to the secretary of the development cabinet, but* not attached to any administrative department [except for housekeeping purposes as hereinafter prescribed].

(2) The authority shall consist of the *executive director* [chairman] of the economic development commission, the commissioner of commerce, the secretary of the development cabinet, and the secretary of the executive department for finance and administration, *and* nine (9) at large members appointed by the governor. Of the nine (9) at large members, three (3) shall be representative of industrial or manufacturing interests, three (3) shall be representative of agricultural interests, and three (3) shall be representative of tourism interests. The chairman shall be the *secretary of the development cabinet who may appoint a deputy secretary of the development cabinet to serve as chairman* [chairman of the economic development commission]. Each ex-officio member of the authority, as described in this section, may[, if he is unable to be present at a meeting of the authority,] appoint in writing a substitute, who shall *have* [act for him at the particular meeting for which he is appointed, with] full voting and other powers as a member of the authority or of the board, as the case may be. The writing by which the appointment is made shall be filed as a part of the records of the *authority* [meeting].

(3) The terms of all appointive members of the former industrial development finance authority shall be deemed to have expired as of midnight on June 30, 1978. The terms of the new appointed members of the Kentucky development finance authority shall commence as of July 1, 1978.

(4) Two (2) members initially appointed by the governor shall be appointed for a term of one (1) year, two (2) members for two (2), two (2) for three (3), and three (3) for four (4) years, respectively, from the date of their appointment and until their respective successors shall be duly appointed and qualified, the term of each appointed member to be designated by the governor at the time of his appointment. Their successors shall each be appointed for a term of four (4) years, except that any person appointed to fill a vacancy shall serve only for the unexpired term. Any appointed member of the authority shall be eligible for reappointment.

(5) Members of the authority shall be entitled to compensation for their services as members in the amount of one hundred dollars ($100) for each regular meeting of the authority, and shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members.

Section 4. KRS 154.025 is amended to read as follows:

[The authority shall be attached to the department of commerce for housekeeping purposes subject to the following conditions:]

(1)[(a)] The authority shall make all policy as it pertains to loans, *or other forms of financial assistance* [whether such loans are direct loans or insured loans made by other lenders].

(2)[(b)] *The authority shall make all policy as it pertains to personnel, consultants, payroll and other expenses. The authority may request that the secretary of the development cabinet assign housekeeping duties to one of its departments and the secretary of the development cabinet shall honor such request. Housekeeping duties include, by way of example, those functions normally performed by a fiscal officer and personnel officer* [The payroll and other expenses of the authority shall be administered in accord with paragraph (a) above];.

[(c) The executive department for finance and administration shall keep separate trust and agency accounts for the loan fund, the interest received fund, and the mortgage insurance funds for the authority established for industrial, agricultural and tourism development. The interest received fund may be charged for the expenses of the authority on a periodical basis.]

(3)[(d)] The authority may appoint an executive director and fix his salary, subject to the approval of the commissioner of personnel. The executive director shall perform, in the name of the authority, such functions and duties and may exercise such powers of the authority as the authority may delegate to him, including the provision of staff services for the authority and each committee thereof. The executive director shall be dismissed only with the approval of the authority.

Section 5. KRS 154.040 is amended to read as follows:

The authority may exercise all powers necessary or appropriate to carry out and effectuate the purposes of this chapter, including the following powers, in addition to others herein granted:

(1) To cooperate with local development agencies *and other local development organizations* in their efforts to promote *economic development* [the expansion of industrial and manufacturing activity];

(2) To conduct hearings and other methods of examination and to authorize any of its members to do so on any matter material for its information and necessary to the determination of the feasibility of industrial building and industrial subdivision, *manufacturing,* agricultural and tourist projects;

(3) To accept gifts or grants from any source, [and] to enter into contracts or other transactions with any federal agency *and to administer the gifts, grants or contracts according to their terms*;

(4) To make contracts of every nature and to execute all instruments necessary or convenient for the carrying on of its business;

(5) To take title by foreclosure to any industrial building project, *manufacturing project*, agricultural project or tourist project where such acquisition is necessary to protect any loan previously made therefor by the authority and to sell, transfer and convey any such industrial building, *manufacturing*, agricultural or tourist project to any responsible buyer. In the event such sale, transfer and conveyance cannot be effected with reasonable promptness, the authority may in order to minimize financial losses and sustain employment, lease such industrial building, *manufacturing*, agricultural or tourist project to a responsible tenant or tenants;

(6) To take title by foreclosure to any industrial subdivision project where acquisition is necessary to protect any loan previously made therefor by the authority and to sell, transfer, and convey any such industrial subdivision project to any responsible buyer, including the Commonwealth of Kentucky;

(7) To adopt, use and alter at will a corporate seal;

(8) To appoint officers, agents and employes and to prescribe their duties and to fix their compensation, within the limitations provided by law;

(9) To promulgate reasonable regulations for the administration of this chapter;

(10) To assist any person or corporation in making application to the government for financial assistance under any program which assistance may include the expenditure of available funds to obtain the advice of experts in the preparation of applications and of business, industry, agricultural and tourist studies when such experts are not available among authority employes;

(11) To cause to be established, as provided in this chapter, a nonprofit mortgage insurance corporation to insure agricultural, tourist and business and industrial loans, and to pay to said corporation, from one or more of the mortgage insurance funds as herein established, assistance fees for the purpose of assisting a person or corporation to secure insurance of loans made to them in the establishment of an industrial building, *and industrial subdivision, manufacturing*, agricultural or tourist project;

(12) To contract with the insurance corporation to purchase for a period of time and for a specified amount, which may be paid in advance from the appropriate [mortgage insurance] fund to said corporation as a lump sum payment for future interim guarantees and permanent guarantees in each area of responsibility, insurance of mortgage loans *or bond issues* made to assist any industrial building *and industrial subdivision, manufacturing*, agricultural or tourist project [pending approval of applications made to the government], which purchased insurance may include the insurance of up to ninety-five (95) percent of a loan *or bond issue* by a private or other governmental lender, *or issuer* [whether or not the application to the government shall include the amount in excess of eighty (80) percent];

(13) To issue revenue bonds *and umbrella bonds* under the provisions of KRS *Chapter 103* [103.200 to 103.285, inclusive, (a)] to finance the acquisition or construction of any facility defined as an industrial building in KRS 103.200 in the same manner as a city or a county[, provided, however, that no such industrial building shall be financed by the authority unless it is physically located within the bounds of a riverport, or in any other organized industrial park as defined by the authority on the basis of statutory provisions, or (b) to finance pollution control projects for companies when payments by the company have been guaranteed by the small business administration]; [and]

(14) To contract with other state agencies as provided in KRS 154.170*; and*

(15) To provide technical assistance for the administration and coordination of other development finance programs of the government, regional commissions, area development districts, counties, cities, or other political subdivisions or private institutions concerned with economic development.

Section 6. KRS 154.060 is amended to read as follows:

The authority shall promulgate regulations governing its proceedings and its determinations of eligibility for loans or interim or permanent guarantees. Such regulations shall be based on transportation facilities, available utilities, existing industrial land, zoning, real estate prices, labor supply, unused natural resources, capital available for investment, and other relevant considerations. Regulations governing applications shall obtain full disclosure of financing plans and evidence that establishment of a new industrial subdivision will not be competitive with an existing, improved subdivision or that establishment of a new industrial building, *manufacturing*, agricultural or tourist project will not cause an existing facility to relocate. Regulations governing the granting of loans or interim or permanent guarantees shall be based on the expressed purposes of this chapter and shall be such as to reasonably protect each loan or interim or permanent guarantee by the authority.

Section 8. KRS 154.070 is amended to read as follows:

(1) Any local development agency may apply to the authority for assistance in an industrial building or industrial subdivision project. Applications shall be made in a manner prescribed by regulations of the authority.

(2) *Any person, partnership, corporation, cooperative, government, or other legal entity may apply to the authority for assistance in a manufacturing, tourist, business, or agricultural project.*

(3) The authority shall hold such hearings and examinations as to each application as shall be necessary to determine whether the public purposes of this chapter *and the development of the particular community* will be accomplished by granting financial assistance to such applicants.

Section 9. KRS 154.080 is amended to read as follows:

When it has been determined by the authority that the establishment of a particular *industrial subdivision or* industrial building project has accomplished or will accomplish the public purposes of this chapter, the authority may contract to loan such local development agency an amount not in excess of forty per cent (40%) of the cost or estimated cost of such *industrial subdivision, or* industrial building project, as established or to be established. However, no industrial building *or subdivision* project loan shall be made by the authority to a local development agency until such agency has furnished proof of its inability to obtain from banks, insurance companies and other private lending agencies funds [at the going cost of such money] in amounts sufficient to enable the agency to finance the project without the assistance of the authority.

Section 10. KRS 154.090 is amended to read as follows:

Before granting loans on industrial *subdivision or* building projects proposed or established the authority shall first determine: (1) that the local development agency holds funds in an amount equal to, or property of a value equal to, not less than ten per cent (10%) of the estimated cost of the industrial *subdivision or* building project, which funds or property are available for and shall be applied to the cost of such project, and (2) that the local development agency has obtained from other independent and responsible sources, such as banks and insurance companies or otherwise, a firm commitment for all other funds, over and above the loan of the authority and such funds or property as the local development agency may hold, necessary for payment of all the estimated cost of the industrial *subdivision or* building project, and (3) that the sum of all these funds, together with the machinery and equipment to be provided by the responsible tenant or responsible buyer is adequate to insure completion and operation of the plant or facility.

Section 11. KRS 154.110 is amended to read as follows:

[(1) When it has been determined by the authority that the establishment of a particular industrial subdivision project of such local development agency will accomplish the public purposes of this chapter, the authority may contract to loan from the industrial development finance fund to such local development agency an amount not in excess of fifty per cent (50%) of the cost or the estimated cost of such industrial subdivision project to be established.

(2)] When it has been determined by the authority that the establishment of a particular industrial subdivision project of *a* [such] local development agency, *city, county, local industrial development authority established pursuant to KRS 152.810 to 152.930, or a riverport authority established pursuant to KRS 65.510 to 65.650,* will accomplish the public purposes of this chapter, and serve two or more counties but that the project is not feasible without a low interest loan or grant, the authority may contract to loan with low interest [or grant] from the multi-county industrial site development fund to such local development agency, *city, county, local industrial development authority, or riverport authority* an amount in total not in excess of fifty percent (50%) of the cost or the estimated cost of such industrial subdivision project to be established.

[(3) When it has been determined by the authority that the establishment of a particular industrial subdivision project by a city, county, local industrial development authority as established by KRS 152.810 to 152.930, or a riverport authority as established by KRS 65.510 to 65.650 will accomplish the public purposes of this chapter, and serve two or more counties, the authority may contract a grant from the multi-county industrial site development fund to the city, county, local development authority, or riverport authority in an amount not in excess of fifty percent (50%) of the cost or estimated cost.]

Section 12. KRS 154.127 is amended to read as follows:

When it has been determined by the authority in the area of responsibility *for manufacturing,* for agriculture or for tourism, as the case may be, [upon the basis of a request from a local development corporation,] that the establishment of a particular *manufacturing project or a particular* agricultural project or a particular tourist project has accomplished or will accomplish the public purposes of this chapter *and the economic development of the particular community*, the authority may enter into such contract or agreement as may be necessary, with the borrower or with the insurance corporation, to lend or to guarantee the lending of the amount to be borrowed.

Section 13. KRS 154.130 is amended to read as follows:

Every loan of the authority shall be for such period of time and shall bear interest at such rate as shall be determined by the authority and shall be secured by *a* promissory note of the local development agency, in the case of an industrial building *or industrial subdivision* project, or the persons or corporation to whom the loan is made, in the case of *a manufacturing,* [an] agricultural or tourist project, and by an appropriate mortgage on the industrial building, *or* industrial subdivision, *and by such security as deemed necessary by the authority for any manufacturing,* agricultural or tourist project for which such loan was made. Each interim or permanent guarantee shall be made pursuant to the terms of the contract between the authority and the insurance corporation, which contract shall contain provisions requiring appropriate protection of the insurance corporation by mortgage, lien, subrogation or otherwise.

Section 14. KRS 154.140 is amended to read as follows:

When any federal agency participates in the financing of an industrial building *or subdivision* project by loan, grant or otherwise of federal funds, the authority may adjust the required ratios of financial participation by the local development agency, the source of independent funds, and the authority in such manner as to insure the maximum benefit available to the local development agency, the authority, or both, by the participation of the federal agency. No such adjustment of such ratios shall cause the authority to grant a loan to the local development agency in excess of forty per cent (40%) of the cost or estimated cost of the industrial building *or subdivision* project.

Section 15. KRS 154.146 is amended to read as follows:

An exception may be made if, because of the nature of the terrain in the area, a minimum of twenty-five (25) acres is impractical, then the *authority* [board] may, at its discretion, stipulate a lesser acreage for the purposes set forth in KRS 154.001 to 154.170.

Section 16. KRS 154.170 is amended to read as follows:

(1) The authority may negotiate with other agencies of the state government to obtain the use of moneys which such agencies are authorized to invest in government obligations. Funds so negotiated shall be transferred on an inter-account basis to the *appropriate fund of the authority* [industrial development fund or one or more of the mortgage insurance funds and shall be deemed to be investments in obligations of the authority and not of local development agencies]. The authority may also negotiate with the state property and buildings commission for the issuance and sale of revenue or other authorized bonds in accordance with the methods prescribed in KRS 56.520 for the purposes of this chapter.

(2) Nothing in this chapter shall be construed to give the authority power to pledge the credit or taxing power of the Commonwealth or any of its political subdivisions.

Section 17. KRS 154.550 is amended to read as follows:

(1) There are hereby established in the treasury of the Commonwealth [special revolving] trust [and agency] funds for each area of responsibility for which it was established, and to which shall be credited all funds appropriated by the general assembly to the authority for the purposes of this chapter, together with *interest earned by these funds and* all funds obtained by the authority from other sources which, by contract or otherwise, are payable into such funds. *The authority may request, and such request shall be honored, that the trust funds be invested and re-invested for the benefit of the authority until such time as the funds are needed to satisfy loan commitments. Income from the investments shall be credited to the authority's funds.* If at any time the authority shall determine the monies in any [mortgage insurance] fund exceed the amount needed by the authority to carry out the purposes of this chapter *as it relates to a particular area of responsibility*, the authority shall take such action as shall be required to *transfer the excess amounts from the fund for one area of responsibility to the fund for another area of responsibility as economic development needs dictate and are determined by the authority or shall* release such excess funds and transfer such excess funds to the general fund of the state treasury.

(2) *The* [Each] mortgage insurance fund shall be used solely and only *as reserve for insurance commitments and* to pay the costs of procuring, [through the insurance corporation,] insurance of private or governmental loans to accomplish the purposes of the authority as stated in KRS 154.005. Such costs shall be paid from said fund *upon approval* by the authority solely under terms of its contract with the insurance corporation, and may include the costs of obtaining interim and permanent guarantees which are authorized by this chapter, whether or not the loan application finally results in a loan or guarantee by the government.

(3) All loans and all costs of administration of this chapter shall be paid out of the authority's funds. Payments shall be made in the same manner as other state expenditures, except that they shall be subject to the approval of the department of finance only as to availability of funds.

Section 18. KRS 154.555 is amended to read as follows:

The authority may cause to be established, by any number of natural persons not in excess of fifteen (15), a Kentucky nonprofit corporation which shall have as its purpose the insurance of mortgage loans entered into by and between lenders and persons or corporations located in Kentucky and offering gainful employment to the inhabitants of the Commonwealth. The mortgage insurance corporation shall not be deemed to have been established for the purposes of this chapter unless and until its articles of incorporation shall have been approved by the authority, and if so approved, no approval by the department of insurance shall be required. Such articles of incorporation, in order to secure such approval, shall contain, inter alia, the following provisions:

(1) The corporation shall be designated "Kentucky mortgage insurance and guarantee corporation;"

(2) No member of the board of directors of the insurance corporation shall receive any emoluments for his services thereon, except that he may be reimbursed for expenditures incurred by him in the performance of duties for the insurance corporation;

(3) All assistance fees received by the insurance corporation shall be held in a trust account in one or more banks and trust companies having a principal place of business in the Commonwealth;

(4) The trust account shall be held for the security of the holders of mortgage loans *or bonds* guaranteed by the insurance corporation, except that provision may be made for the payment of expenses of the insurance corporation from the trust account or a segregated portion thereof;

(5) The trust account shall be governed by a trust agreement entered into by and between the insurance corporation and the trustee or trustees. Said trust agreement shall contain such lawful provisions and limitations as may be deemed appropriate, and may include a pledge of premiums and other monies deposited in the fund to the payment of the obligations insured by the insurance corporation; and

(6) The trust agreement shall make appropriate provisions for the investment by the trustee or trustees of funds in the trust account for the benefit of the insurance corporation and of any claimants against the trust account. The monies so pledged and thereafter received by the trust account shall be subject to the lien of such pledge without any further act, and the lien of such pledge shall be valid and binding against all parties in accordance with the terms of the trust agreement.

Section 19. KRS 154.560 is amended to read as follows:

The insurance corporation shall be empowered by its articles:

(1) To contract with the authority to insure loans, *bonds* or their debt service, made by any lender *or issuer* to finance the acquisition, construction or alteration of *any industrial building or subdivision, manufacturing, agriculture or tourist project* [facilities of the same type which are eligible for direct loans from the authority, but, in the case of industrial building projects, only if such loans have been made (a) pending the successful processing of an application to the government for a loan, a loan guarantee or other assistance, which application the authority has recommended to the insurance corporation as an application which should, in its opinion, be approved by the government, or (b) on a coparticipation basis with the business development corporation as provided in KRS 154.125, or (c) on a basis limited as to participation to the percentage permitted for direct loans under KRS 154.080];

(2) To enter into agreements for such insurance;

(3) To fix a rate or rates of premiums to be paid for such insurance by the person or corporation assisted, which premiums shall be fixed to take into account the fact that the authority has paid an assistance fee to the insurance corporation as an assistance to the person or corporation whose loan *or bond* is being insured; and

(4) To exercise such other powers as are necessary or incidental to the foregoing.

Section 20. KRS 154.570 is amended to read as follows:

The authority shall not recommend to the insurance corporation, and the insurance corporation shall not approve the insurance of any loan *or bond* under its contract with the authority, if the insurance of such loan *or bond* will result in a total commitment by the insurance corporation in excess of ten (10) times the amount in the trust account. No insurance commitment shall be made by the insurance corporation unless the authority has made the following findings:

(1) That the loan *or bond* is to be secured by a first mortgage of real or personal property or both satisfactory to the authority;

(2) That the mortgagor and mortgagee are responsible parties;

(3) That the occupant of the project or projects is a responsible occupant;

(4) That the provisions of the mortgage loan *or bond* are reasonable and proper, and in making such determination the authority may take into account such factors as it deems relevant including, without limitation, the provisions for maintaining, insuring and repairing the project by the mortgagee and the remedies of the authority or the insurance corporation upon default of the mortgagee;

(5) That the project will provide employment having a reasonable relationship to the principal amount of the loan *or bond issue* to be insured therefor, taking into account, among other things, the investment per employe of comparable facilities;

(6) That adequate provision is being or will be made to meet any increased demand upon community public facilities that might result from the project;

(7) That the size and scope of the project is such that a definite benefit to the economy of the Commonwealth may reasonably be expected to result from the construction or improvement thereof; and the employment created shall be substantially primary employment;

(8) That the principal amount of the loan *or bond* does not exceed ninety-five (95) percent of the cost of the land, buildings, and improvements and eighty (80) percent of the cost of the machinery and equipment;

(9) That the duration of the loan *or bond* shall not exceed thirty (30) years on land, buildings and improvements exclusive of machinery and equipment, and fifteen (15) years on machinery and equipment; and that the authorization provisions are satisfactory to the authority;

(10) That the insurance agreement provides for subrogation upon payment of insured debt service from the trust account;

(11) That the public interest is adequately protected by the terms of the loan *or bond* and of the insurance agreement;

(12) That the insurance of the loan *or bond* will not cause the insured debt service coming due in any one (1) calendar year on account of an insured loan *or bond* for any one (1) mortgagor to exceed twenty (20) percent of the amount in the trust account when the finding is made; and

(13) That the insurance of the loan *or bond* will not cause the insured debt service coming due in any one (1) calendar year on account of permanent guarantees to exceed one hundred (100) percent of the amount in the mortgage insurance trust when the finding is made.

The authority shall consult with the appropriate local and regional planning agencies to ascertain the relationship of a proposed project to any existing local or regional comprehensive plan; that, so far as feasible, the project is to be located in an area of generally high unemployment; and that employment opportunities will become available to the residents of such area.

SECTION 21. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

The authority shall be subject to the regular examination by the department of banking and securities described in KRS 287.450 and 287.460; however, the authority shall not be subject to any other banking regulations stipulated in KRS Chapter 287 nor any administrative regulations promulgated thereunder.

SECTION 22. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

In any legal action brought by the authority or the insurance corporation to obtain the collection or repayment of a defaulted loan, as part of a successful judgment against the debtor or guarantor, the authority or insurance corporation shall be entitled to an award of reasonable attorney's fees, provided that provision therefor is contained in the agreements signed by the debtor as part of a loan or other debt transaction between the debtor and the authority or insurance corporation.

Section 23. The following sections of the KRS are repealed:

154.120 Prerequisites for proposed subdivision projects.
154.125 Coparticipation loans with business development corporation.
154.143 Loans to local development agencies.
154.150 Industrial development funds.

HR 49, A RESOLUTION supporting President Carter in his decision to boycott the 1980 Moscow Olympics.

WHEREAS, the Soviet Union invaded Afganistan by force of arms; and

WHEREAS, the people of Afganistan faced perilous and overwhelming odds against the superior military strength of the Soviet Union; and

WHEREAS, the dreadnaught of Soviet Imperialism will not be tolerated by the free nations of the world;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body supports President Carter in his decision to have the American athletes boycott the 1980 Moscow Olympics.

Section 2. That the House of Representatives extends its support to President Carter during these trying times of world unrest.

Section 3. That the Clerk of the House be directed to forward a copy of this resolution to the Office of the President of the United States.

SB 99, AN ACT relating to General Assembly constitutional employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 6.230 is amended to read as follows:

Employes of the general assembly shall receive a per diem as follows: chief clerk, *sixty-five dollars ($65)* [fifty-five dollars ($55.00)]; assistant clerk, *fifty-five dollars ($55)* [forty-seven dollars ($47.00)]; enrolling clerk, *fifty dollars ($50)* [thirty-seven dollars ($37.00)]; sergeant-at-arms, *forty dollars ($40)* [thirty-five dollars ($35.00)]; doorkeeper, *forty dollars ($40)* [twenty-nine dollars ($29.00)]; janitors, *thirty dollars ($30)* [twenty-five dollars ($25.00)]; cloakroom keeper, *thirty dollars ($30)* [twenty-five dollars ($25.00)]; pages, *fifteen dollars ($15)* [twelve dollars ($12.00)] each.

Section 2. The provisions of this Act relative to the compensation of the employes of the House and Senate shall be effective and shall apply to the present session of the General Assembly and the per diem shall be paid for the one thousand nine hundred and eighty session to said employes in the amounts named in section one hereof, beginning January eighth, one thousand nine hundred and eighty provided, that there shall be deducted from the amount due said employes the sum already paid them for services rendered during the one thousand nine hundred and eighty session.

Section 3. Whereas, the employes of the House and Senate have rendered faithful and efficient services during the present session of the Legislature and their pay has been entirely inadequate an emergency is therefore declared to exist and this law shall become effective immediately upon its enactment by the General Assembly and approval by the Governor.

Calendar

HB 283, HB 310, HB 235, HB 359, HB 360, HB 375, HB 376, SB 13, HB 352, HB 127, HB 249, HB 315, HB 364, SB 46, SB 75, HB 374, HB 152, HR 5, HR 43, SB 91, and **SR 2** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 204, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved the adoption of the Floor Amendment No. 1 to **HB 204.**

Representative Pearman moved that **HB 204** be laid on the Clerk's desk.

On the roll call the vote was yeas 70-Allen, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Clapp, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Head, Hines, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rattliff, Richards, Riner, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 0.

The motion that **HB 204** be laid on the Clerk's desk was adopted.

HB 50 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Craddock moved that **HB 50** be passed.

On the roll call the vote was yeas 81-Adams, Arnold, Bendl, Bennett, Blandford, Blythe, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Petty, Plummer, Rapier, Rattliff, Richards, B. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Wright, Yates. Nays 8-Allen, Blair, Boswell, DeFalaise, Dunn, Gray, Layman, Priddy.

HB 50 was passed and the title agreed to.

Representative Craddock moved that the vote by which **HB 50** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 229, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Heleringer moved the adoption of the Committee Substitute to **HB 229.** Agreed.

Representative Heleringer moved that **HB 229,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 84-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, May, Maynard, McBee, McKinney, Moberly, Nett, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 6-Brown, Mann, McNutt, Morris, Noe, Tobin.

HB 229, by way of Committee Substitute, was passed and the title agreed to.

Representative Heleringer moved that the vote by which **HB 229,** by way of Committee Substitute was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 269, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved the adoption of the Committee Substitute to **HB 269.** Agreed.

Representative Weinberg moved that **HB 269,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 84-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clapp, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, Maynard, McBee, McKinney, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright. Nays 6-Bruce, Burnette, Lewis, McNutt, Morris, Tobin.

HB 269, by way of Committee Substitute, was passed and the title agreed to.

Representative Weinberg moved that the vote by which **HB 269,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 394 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Davenport moved that **HB 394** be passed.

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 0.

HB 394 was passed and the title agreed to.

Representative Davenport moved that the vote by which **HB 394** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 38 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Haering moved the adoption of **HR 38.**

On the roll call the vote was yeas 60-Arnold, Barrows, Bendl, Bennett, Blythe, Boswell, Brinkley, Brown, Burch, Caldwell, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Haering, Hancock, Heleringer, Isler, Kenton, LeMaster, Little, Lundergan, May, Maynard, McBee, McNutt, Moberly, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Wright, Yates. Nays 15-Bruce, J. Clarke, DeMarcus, Deskins, Fryman, Guenthner, Holbrook, Layman, Lewis, Morris, Overstreet, Patrick, Stumbo, Wilborn, Worthington.

HR 38 was adopted and the title agreed to.

Representative B. Richardson moved that the vote by which **HR 38** was adopted be reconsidered and said motion be postponed indefinitely. Agreed.

SB 29 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blandford moved that **SB 29** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

SB 29 was passed and the title agreed to.

Representative Blandford moved that the vote by which **SB 29** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 43 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McNutt moved that **SB 43** be passed.

On the roll call the vote was yeas 42-Barrows, Bendl, Bennett, Blandford, Blythe, Brinkley, Bronger, Burch, Cawood, Clarke, Donnermeyer, Dunn, Freibert, Gray, Guenthner, Haering, Hancock, Heleringer, Isler, Kenton, Kidd, LeMaster, List, Lundergan, Mann, McBee, McNutt, Moberly, Morris, O'Brien, Petty, Priddy, Rapier, Romines, Schmidt, Smith, Thomas, Thomason, Van Horn, Wilborn, Williams, Yates. Nays 50-Adams, Allen, Arnold, Blair, Boswell, Brown, Bruce, Burnette, Caldwell, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Ellington, Farrow, Foster, Fryman, Head, Holbrook, Johnson, Jones, Layman, Little, May, Maynard, McKinney, Nett, Noe, Overstreet, Patrick, Pearman, Plummer, Rattliff, Richards, B. Richardson, Riner, Robinson, Sale, Stone, Stumbo, Tobin, Turner, Weinberg, White, Worthington, Wright.

SB 43 was defeated.

Representative B. Richardson moved that the vote by which **SB 43** was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

SB 40 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cawood moved that **SB 40** be passed.

On the roll call the vote was yeas 90-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Allen.

SB 40 was passed and the title agreed to.

Representative Cawood moved that the vote by which **SB 40** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Representative Johnson moved that **HB 324** be taken from the Clerk's desk and placed in Orders of the Day for February 22, 1980.

On the roll call the vote was yeas 66-Adams, Arnold, Barrows, Bennett, Blandford, Blythe, Boswell, Bronger, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Cyrus, Davenport, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Kenton, Kidd, Lewis, List, Little, Maynard, McBee, McKinney, McNutt, Morris, Nett, Noe, Patrick, Pearman, Petty, Plummer, Priddy, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Yates. Nays 0.

The motion that **HB 324** be taken from the Clerk's desk and placed in Orders of the Day for February 22, 1980 was adopted.

Speaker Pro Tempore Hancock presiding.

Representative List moved the adoption of the following Legislative Citation No. 30:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Lexington Rotary Club on your Sixty-fifth Anniversary. Your dedication and faithful services have provided our world with superior leadership. Your organization is a magnanimous reflection of the best dramatized in "Service above Self". Your high ethical standards, your extraordinary spirit, loyalty and benevolence are most rewarding and profitable for all mankind. The dignity that you clothe your personal, business and social life with are far-reaching and most effective and exemplary. Rotary International serves as an essential tool for unlocking doors for a peaceful world. This body is proud of you and salutes you on your seventy-fifth celebration of Rotary International and extends to you our very best wishes. (Sponsored by Representative Kenton)

Agreed.

Representative Plummer moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Plummer moved the adoption of the following **HR 69:**

HR 69, A RESOLUTION recognizing and commending Bill Love, Executive of the Vanceburg Utilities Board.

WHEREAS, the perseverant and innovative efforts of Bill Love were instrumental in obtaining the second hydro-electric plant in the United States to date for the City of Vanceburg, Kentucky; and

WHEREAS, the City of Vanceburg will own the hydro-electric plant which will be located on the north end of the present locks and dam at Lloyd, Kentucky; and

WHEREAS, the only other existing hydro-electric plant in the United States is located in Nancy, Washington; and

WHEREAS, the securing of such a plant will foster an economic boost, not only for Lewis County, but for neighboring counties such as Mason, Fleming, Carter and Greenup as well; and

WHEREAS, this magnanimous achievement will generate $250,000 per year in revenue for Lewis County and $80,000 per year in revenue for the City of Vanceburg; and

WHEREAS, Bill Love is diligently working to develop innovative energy producing systems to help solve our nation's energy problems; and

WHEREAS, Bill Love is truly a scholar of engineering abilities;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House recognize Bill Love as an outstanding Kentuckian for his perseverance in obtaining the hydro-electric plant for the City of Vanceburg.

Section 2. That this honorable body hail Bill Love as an exemplary representative of the Commonwealth.

Section 3. That the Clerk of the House be directed to transmit a copy of this resolution to Bill Love, the City of Vanceburg, Lewis County Judge/Executive Jackie Cooper and Greenup County Judge/Executive Richard Ousley.

HR 69 was adopted by voice vote.

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 4 to **HB 41**, by Representative Little, is as follows:

Amend printed copy of **HB 41,** page 1, before line 3, insert the following:

"(1) All insurers writing homeowners insurance may require the applicant or the insured to submit an inventory of the insured personal property upon application for a policy or renewal of a policy. If the insurer requests an inventory, the insurer shall issue a 30 day binder within which time the insured shall submit the required inventory.

(2) If the insured submits an inventory of the insured personal property upon application for a policy or renewal of a policy as required by an insurer, the premium shall be reduced upon renewal in proportion to the depreciation of the value of the insured personal property."

page 1, lines 3 and 4, delete the words "Every homeowners' insurance policy shall provide that"

page 1, line 4, before the word "in" insert "(3)"

page 1, line 5, after the word "property," insert "if the insurer has not requested the applicant or the insured to submit an inventory of the insured personal property,"

page 1, line 7, before the word "No" insert "(4) In the event of a loss of any of the insured personal property,"

Floor Amendment No. 4 to **HB 86,** by Representative Barrows, is as follows:

Amend printed copy of **HB 86,** page 1, line 9 after the word *has* by adding the words *intentionally or*

Floor Amendment No. 1 to Committee Substitute to **HB 231,** by Representative Schmidt, is as follows:

Amend printed copy of House Committee Substitute for **HB 231,** page 1, following line 10, by inserting the following language:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 534 IS CREATED TO READ AS FOLLOWS:

Any person who reports to a peace officer or other legal authority a violation of any littering statute resulting in a conviction shall be awarded twenty-five dollars ($25) by the court, such award to be paid by the convicted party to the court in addition to the fine assessed by the court."

Floor Amendment No. 1 to **HB 396,** by Representative Schmidt, is as follows:

Amend printed copy of **HB 396,** page 1, line 3, by deleting the word "state-";

and on line 4, by deleting the line in its entirety;

and on line 5, by deleting the words "cess [as sheriffs have]."; and inserting in lieu thereof the following language:

"the power of arrest in the counties comprising their districts and the right to execute process statewide."

Floor Amendment No. 1 to **SB 62,** by Representative Arnold, is as follows:

Amend printed copy of **SB 62,** page 1, line 19, by deleting "210.370" and substituting therefor: "210.460".

Representative B. Richardson moved that the rules be suspended to act upon a Resolution. Agreed.

Representative B. Richardson moved the adoption of the following **HR 70:**

HR 70, AN ACT amending Rule 49 of the Rules of the House.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That Rule 49 of the Rules of the House, Regular Session of 1980, be amended to read as follows:

Rule 49. Form of Bills. All bills introduced shall be typewritten on the Automated Legal Text Entry and Revision System of the Legislative Research Commission, and none otherwise prepared shall be accepted for introduction. Bills shall be offered as one original and three distinctly legible copies. Identical bills for introduction in the other chamber may be exact reproductions of original bill provided one copy is authenticated by the Director of the Legislative Research Commission as the original to be introduced in the other chamber. The original shall be the official bill, and shall be retained by the Legislative Research Commission staff for the use of the House until engrossed and sent to the Senate. One copy shall be used by committees; one copy shall be for the use of the press and shall be given to a person designated by the press club; and one copy shall be retained by the Legislative Research Commission for its work file. Each copy shall be backed with a protective cover, as provided for this purpose by the Legislative Research Commission. The title of the bill, or a portion thereof, and the signature of the member introducing the bill shall be placed on each cover.

In all bills, as introduced and as printed, [which seek to amend existing sections of the Kentucky Revised Statutes,] any new matter contained therein shall be underscored; and when an amendment proposes the omission or elimination of matter in an existing law, such omission or elimination shall be indicated on the typewritten bill and on the printed bill by placing the material proposed to be eliminated in brackets, *and by striking through the words to be omitted or eliminated with a single line so as not to render such words illegible.* The Legislative Research Commission staff shall see that all bills introduced conform with the Automated Legal Text Entry and Revision System method of preparation. The Enrolling Clerk in enrolling a bill which contains deleted material appearing in brackets shall strike over such deleted matter.

HR 70 was adopted by voice vote.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 596, by Representatives Cawood and Noe: AN ACT relating to the Kentucky State Police.

HB 597, by Representative Gray: AN ACT relating to commercial fishing.

HB 598, by Representative List: AN ACT relating to police officers.

HB 599, by Representative Wright: AN ACT relating to individual income tax.

HB 600, by Representatives Rattliff, B. Richardson, Blandford, and Davenport: AN ACT relating to bird roosts.

HB 601, by Representative Lundergan: AN ACT relating to public service commission.

HB 602, by Representative Guenthner: AN ACT relating to public records.

Posting of Bills and Resolutions for Consideration (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Cities: **HB 487, SB 20.**

Health and Welfare: **HB 455.**

Education: **HB 450, HB 436, HB 552.**

Representative Bendl moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Bendl moved the adoption of the following **HR 71:**

HB 71, AN ACT establishing the biennial Chuck Hardwick Award, and designating its first recipient.

WHEREAS, during the regular session of 1976, the Honorable Charles "Chuck" Hardwick offered this body a never-to-be-forgotten vocal rendition of the song "God Bless America;" and

WHEREAS, this spirit of unabashed patriotism once again has stirred within the bosoms of certain members of this House of Representatives, and probably may again during future sessions hereof; and

WHEREAS, the strains of this lovely music have recently burst forth again throughout this chamber, having been offered by the Gentleman from Campbell-68 in a most remarkable performance;

WHEREAS, such present and potential future talent should not go unrecognized, and should be awarded and acknowledged for the great accomplishment as it does indeed exhibit;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the biennial "Chuck Hardwick Award for the Singing of Patriotic Songs in the House of Reprsentatives of the General Assembly of the Commonwealth of Kentucky" hereby is established and designated as revolving among those vocalist members of the House of Representatives offering the most astonishing version of a patriotic anthem during each regular session of the General Assembly.

Section 2. That the physical manifestation of such award shall be an 8 x 10 glossy photograph of the aforementioned Representative Hardwick in full song amidst his glorious performance.

Section 3. That the first recipient of such award be the Gentleman from Campbell-68, the Honorable William Donnermeyer, for his spirited, stirring, rhythmical, and pleasantly brief rendition of the song "God Bless America," on Wednesday, February 13, 1980.

Representative B. Richardson moved that **HR 71** be sent to the Committee on State Government.

On the roll call the vote was yeas 24-Adams, Allen, Burnette, Caldwell, Clapp, Craddock, Crupper, Curd, Ellington, Foster, Freibert, Guenthner, Haering, Holbrook, Moberly, O'Brien, Plummer, Richards, B. Richardson, Riner, Schmidt, Weinberg, Wright, Yates. Nays 35-Bendl, Bennett, Blythe, Brinkley, Burch, Cawood, Clark, Cyrus, Davenport, DeFalaise, Donnermeyer, Dunn, Head, Heleringer, Hines, Isler, Jones, Kidd, LeMaster, Lewis, List, Little, McBee, Noe, Overstreet, Patrick, Pearman, Petty, Priddy, Robinson, Stone, Stumbo, Van Horn, White, Wilborn.

The motion that **HR 71** be sent to the Committee on State Government was rejected.

On the roll call the vote was yeas 36-Bendl, Blandford, Blythe, Brown, Burch, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Head, Heleringer, Hines, Isler, Layman, List, Little, McBee, McNutt, Moberly, Noe, Overstreet, Patrick, Pearman, Priddy, Rapier, Robinson, Smith, Stone, Van Horn, Weinberg, White, Wilborn. Nays 28-Adams, Allen, Arnold, Boswell, Burnette, Caldwell, Clapp, Deskins, Ellington, Foster, Gray, Guenthner, Haering, Hancock, Holbrook, Lewis, Mann, O'Brien, Petty, Richards, B. Richardson, Riner, Schmidt, Stumbo, Turner, Worthington, Wright, Yates.

HR 71 was adopted.

Announcements

The following announcements were made:

Judiciary: Today, on adjournment, Room 9.

Transportation: Friday, 9:00 a.m., Room 307.

Special Committee of Northern Kentucky and Jefferson County delegates appointed to deal with emission control: Tomorrow, 9:00 a.m., Room 9.

Joint Appropriations and Revenue Budget Review Hearing: February 22, 8:00 a.m., Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 10:00 a.m., Friday, February 22, 1980.

On the roll call the vote was yeas 58-Allen, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brown, Bruce, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Donnermeyer, Farrow, Foster, Freibert, Gray, Haering, Hancock, Hines, Holbrook, Isler, Kidd, Layman, List, Little, McBee, McNutt, Moberly, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, Robinson, Schmidt, Smith, Stone, Stumbo, Turner, Van Horn, Weinberg, Wilborn, Worthington, Yates. Nays 8-Adams, Deskins, Dunn, Guenthner, LeMaster, Overstreet, Romines, Wright.

The motion to adjourn was adopted.

FRIDAY, FEBRUARY 22, 1980

TWENTY-NINTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Father James Gerrety, Church of the Good Shepherd, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of February 21, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 603, by Representatives LeMaster and Gray: AN ACT relating to the Kentucky insurance regulatory board.

HB 604, by Representative Adams: AN ACT relating to the Kentucky public employes deferred compensation system.

HB 605, by Representatives Adams, Schmidt, Arnold, Clapp, Clarke, Craddock, Davenport, DeFalaise, Donnermeyer, Foster, Jones, Layman, LeMaster, List, May, O'Brien, Rattliff, B. Richardson, P. Richardson, Turner, and Wright: AN ACT relating to the membership of boards of education.

HB 606, by Representatives Adams: AN ACT relating to income tax.

HB 607, by Representative DeFalaise: AN ACT relating to licensing of motor vehicles.

HB 608, by Representative Rapier: AN ACT relating to barbers.

HB 609, by Representative B. Richardson: AN ACT relating to revise and correct the Kentucky Revised Statutes.

HB 610, by Representative Bendl: AN ACT relating to local government.

HB 611, by Representatives Petty and Donnermeyer: AN ACT relating to the municipal insurance premium tax.

HR 72, by Representative Heleringer: A RESOLUTION requesting Governor John Y. Brown, Jr. to designate Thursday, May 1, 1980, as "Save the Children Day" in Kentucky.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 599.**

Cities: **HB 598.**

Energy: **HB 601.**

Health and Welfare: **HB 600.**

Natural Resources and Environment: **HB 597.**

State Government: **HB 602, HR 68.**

Transportation: **HB 596.**

Report of Committees

The Committee on Rules reported **HB 15, HB 127, HB 233, HB 235, HB 239, HB 283, HB 310, HB 412, HJR 5,** and **SB 13** have been posted for passage in Orders of the Day, February 25, 1980.

The Committee on Rules reported the following Bills have been recommitted:

HB 261 to the Committee on Agriculture and Small Business.

HB 374 to the Committee on Appropriations and Revenue.

The Committee on Cities reported **HB 330** with Committee Amendment attached thereto, **HB 467, HB 81** with Committee Substitute attached thereto, **HB 110** with Committee Substitute attached thereto, **HB 222** with Committee Substitute attached thereto, **HB 308** with Committee Substitute attached thereto, and **HB 517** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 330, AN ACT relating to annexation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

Whenever any city annexes any unincorporated area or any city, or reduces the boundaries of the city, it shall be the duty of the legislative body of the annexing city to provide the county clerk of the county in which the annexing city is located with a map clearly delineating the boundaries of the area affected along with a list of the names and addresses of those persons who reside in such area.

The Committee Amendment No. 1 to **HB 330** is as follows:

Amend printed copy of **HB 330,** page 1, line 9, delete the word "persons" and insert in lieu thereof, the following: "property owners and/or registered voters"

HB 467, AN ACT relating to members of police and fire departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95.440 is amended to read as follows:

(1) The legislative body in cities of the second and third classes and urban-county governments shall require all applicants for appointments as members of the police or fire departments to be examined as to their qualifications for office, including their knowledge of the English language and the law and rules governing the duties of the position applied for.

(2) Each member of the police or fire department in cities of the second and third classes and urban-county governments shall be a qualified voter in the county containing the city of employment, able to read, write and understand the English language, and have such other qualifications as may be prescribed. No person shall be appointed a member of the police or fire department unless he is a person of sobriety and integrity and is and has been an orderly, law-abiding citizen. In a city of the second class or urban-county government no person shall be appointed a member of either of such departments if he is over fifty (50) years of age.

(3) Members of the police and fire departments in cities of the second and third classes or urban-county governments qualified under this section shall hold their positions during good behavior, except that the legislative body may decrease the number of policemen or fire fighters as it may deem proper.

(4) If the legislative body of a city of the second or third class or urban-county government decreases the number of policemen or fire fighters, the youngest members in point of service shall be the first to be

released and returned to the eligible list of the department, there to advance according to the rules of the department.

(5) The legislative body in an urban-county government may by ordinance provide that any *person* [policeman or fire fighter] who has successfully completed his probationary period and subsequently ceased working for the police or fire department for reasons other than dismissal may be restored to the position, rank and pay he formerly held *or to an equivalent or lower position, rank or pay than that which he formerly held* if he so requests in writing to the appointing authority. Such person shall be eligible for reinstatement for a period of one year following his separation from the police or fire department and shall be reinstated only with the approval of the appointing authority.

HB 81, AN ACT relating to state and local fiscal coordination.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Fiscal note" means a realistic statement of the estimated effect on expenditures or revenue of local government in implementing or complying with any proposed act of the general assembly, regulation, rule, order or administrative law.

(2) "Local government" means cities and counties.

(3) "State mandate" means any state constitutional, legislative or executive law or order which requires any local government to establish, expand or modify its activities, programs or structure in such a way as to affect expenditures from local revenues.

SECTION 2. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) No bill which relates to any aspect of local government or any service provided thereby shall be voted on by either house of the general assembly unless a fiscal note has been prepared and attached to the bill pursuant to Section 3 of this Act, except that, if in the house in which the bill is being considered, two-thirds (⅔) of the members elected vote to waive the fiscal note requirement, no note shall be required. The fiscal note waiver shall be certified by the clerk of the house in which the bill is being considered, and such certification shall be attached to the bill. Although waived in one house, a fiscal note shall be required when the bill goes to the other house unless two-thirds (⅔) of the members elected to such house vote to waive the fiscal note requirement.

(2) No executive regulation or order which relates to any aspect of local government or any service provided thereby shall be promulgated or issued unless a fiscal note has been prepared and made a part of the regulation or order pursuant to Section 3 of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) The director of the legislative research commission shall have the fiscal note prepared by the legislative research commission or by other departments or agencies of state government for any bill introduced before the general assembly which relates to any aspect of local government or any service provided thereby. The fiscal note shall be filed with the clerk in the house of the general assembly in which the bill was introduced and attached to each copy of the bill.

(2) The secretary of finance shall have the fiscal note prepared by the department of finance or by other departments or agencies of state government for any regulation or order promulgated by an executive department or agency which relates to any aspect of local government or any service provided thereby. The director of the legislative research commission shall determine the form of such notes. The secretary may request the advice or assistance of the legislative research commission in the preparation of the fiscal note. The fiscal note shall be attached to each copy of the regulation or order.

SECTION 4. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) A fiscal note shall state whether the bill, regulation or order is determined to be a state mandate. If the bill, regulation or order is a state mandate, the note shall contain an estimate of the effect the law will have on expenditures or revenues of local government for the first full fiscal year the law is to be in effect. If the law is not a state mandate, the note shall state that the law shall have no effect on expenditures or revenues of local government.

(2) If any bill, regulation or order is amended after the preparation of the fiscal note, it shall be resubmitted to the person responsible for preparation of the note who shall reevaluate the bill, regulation or order as amended and change the fiscal note in accordance therewith.

(3) Copies of the fiscal note shall be furnished by the person who prepared the note to any local official upon written request.

SECTION 5. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) The legislative research commission shall be responsible for compiling, analyzing and collecting fiscal and other information from local governments necessary for the preparation of fiscal notes. An information system shall be developed and designed so as to provide sufficient continuing information on the financial condition of local government which can be readily utilized for the preparation of fiscal notes. In the development of such an information system the legislative research commission shall:

(a) Compile, analyze and maintain in a unified, concise and orderly form, information as to the nature and impact of existing state mandates and state programs which involve the distribution of funds to local government;

(b) Evaluate federal programs in terms of their compatability with state objectives and their fiscal and administrative impact on state and local programs; and

(c) Continuously compile, analyze and maintain fiscal and other relevant information which is required by statute or regulation to be prepared by local governments.

(2) The legislative research commission shall publish, annually, beginning January 1, 1982, in a report to the general assembly, a summary of the information collected pursuant to subsection (1) of this section in a format designed to show the financial condition of local government.

SECTION 6. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

The legislative research commission may submit to any unit of local or state government any request for information concerning local fiscal management and fiscal conditions. Each unit shall be required to comply with such requests, except that no local unit shall be required to submit any information or data which it is not otherwise required by law to maintain. Where information sought by the legislative research commission is required by law to be filed with the county clerk or state agency, the legislative research commission shall direct all requests to the appropriate county clerk or state agency.

The Committee Substitute to **HB 81** is as follows:

HB 81, AN ACT relating to state and local fiscal coordination.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Fiscal note" means a realistic statement of the estimated effect on expenditures or revenue of local government in implementing or complying with any proposed act of the general assembly whether filed in regular session or prefiled during the interim, regulation, order or administrative law.

(2) "Local government" means cities, counties or urban-county governments.

(3) "State mandate" means any state constitutional, legislative or executive law or order which requires any local government to establish, expand or modify its activities, programs or structure in such a way as to affect expenditures from local revenues.

SECTION 2. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) No bill or resolution which relates to any aspect of local government or any service provided thereby shall be voted on by either chamber of the general assembly unless a fiscal note has been prepared and attached to the bill pursuant to Section 3 of this Act, except that, if in the chamber in which the bill is being considered, two-thirds (⅔) of the members elected vote to waive the fiscal note requirement, no note shall be required. The fiscal note waiver shall be certified by the clerk of the chamber in which the bill is being considered, and such certification shall be attached to the bill. Although waived in one chamber, a fiscal note shall be required when the bill goes to the other chamber unless a majority of the members elected to such chamber vote to waive the fiscal note requirement.

(2) No executive regulation or order which relates to any aspect of local government or any service provided thereby shall be promulgated or issued unless a fiscal note has been prepared and made a part of the regulation or order pursuant to Section 3 of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) The director of the legislative research commission shall have the fiscal note prepared by the legislative research commission or by other departments or agencies of state government for any bill introduced before the general assembly which relates to any aspect of local government or any service provided thereby. Departments or agencies of state government so requested by the director shall comply with the request within seven (7) working days of receipt. The fiscal note shall be filed with the clerk in the chamber of the general assembly in which the bill was introduced and attached to each copy of the bill.

(2) The secretary of finance shall have the fiscal note prepared by the department of finance or by other departments or agencies of state government for any regulation or order promulgated by an executive department or agency which relates to any aspect of local government or any service provided thereby. The director of the legislative research commission shall determine the form of such notes. The secretary may request the advice or assistance of the legislative research commission in the preparation of the fiscal note. The fiscal note shall be attached to each copy of the regulation or order.

SECTION 4. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) The director, at his discretion, may seek a certification from the attorney general on the question of whether a bill, regulation or order constitutes a state mandate. The attorney general shall, within seven (7) working days from receipt of the request, certify to the director that the bill, regulation or order is or is not a state mandate.

(2) A fiscal note shall state whether the bill, regulation or order is determined to be a state mandate. If the bill, regulation or order is a state mandate, the note shall contain an estimate of the effect the law will have on expenditures or revenues of local government for the first full fiscal year the law is to be in effect.

(3) If any bill, regulation or order is amended after the preparation of the fiscal note, it shall be resubmitted to the person responsible for preparation of the note who shall reevaluate the bill, regulation or order as amended and change the fiscal note in accordance therewith.

(4) Copies of the fiscal note shall be furnished by the legislative research commission to any local official upon written request.

SECTION 5. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) The legislative research commission shall be responsible for compiling, analyzing and collecting fiscal and other information from local governments necessary for the preparation of fiscal notes. An information system shall be developed and designed so as to provide sufficient continuing information on the financial condition of local government which can be readily utilized for the preparation of fiscal notes. In the development of such an information system the legislative research commission shall:

(a) Compile, analyze and maintain in a unified, concise and orderly form, information on the nature and impact of existing state mandates and state programs which involve the distribution of funds to local government; and

(b) Continuously compile, analyze and maintain fiscal and other relevant information which is required by statute or regulation to be prepared by local governments.

(2) The legislative research commission shall publish, annually, beginning January 1, 1984, in a report to the general assembly, a summary of the information collected pursuant to subsection (1) of this section in a format designed to show the financial condition of local government.

SECTION 6. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

The legislative research commission may submit to any unit of local or state government any request for information concerning local fiscal management and fiscal conditions. Each unit shall be required to comply with such requests. Where information sought by the legislative research commission is required by law to be filed with the county clerk or state agency, the legislative research commission shall direct all requests to the appropriate county clerk or state agency.

Section 7. This Act shall become effective on January 1, 1982.

HB 110, AN ACT relating to cities of the sixth class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95.800 is amended to read as follows:

(1) The police in cities of the sixth class shall be under the direction and control of the city marshal.

(2) *The marshal of a city of the sixth class shall have jurisdiction only within the city limits of that city. Within his jurisdiction,* the marshal shall have the powers of a *peace officer* [sheriff for the] suppression of any riot, disturbance of the peace, or resistance to law or authority. His lawful orders shall be

promptly executed by deputies, police and watchmen of the city, and citizens shall lend him aid when required for the arrest of offenders and maintenance of public order.

(3) He may execute and return process issued to him by any legal authority. He shall receive the same fees as a constable for the service of process.

(4) He may, with the approval of the board of trustees, appoint deputy marshals. The only compensation of a deputy marshal shall be fees for service of process, which shall be the same as allowed to the marshal. The marshal and his sureties shall be responsible for the acts of his deputies.

(5) He may, with the approval of the board of trustees, appoint additional policemen necessary to preserve public order.

(6) He shall have charge of city prisoners, and of the chain gang if one (1) is established by the board of trustees.

(7) The marshal shall perform such other duties as the city ordinances require.

The Committee Substitute for **HB 110** is as follows:

HB 110, AN ACT relating to cities of the sixth class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95.800 is amended to read as follows:

(1) The police in cities of the sixth class shall be under the direction and control of the city marshal.

(2) *The marshal of a city of the sixth class shall have jurisdiction only within the city limits of that city. Within his jurisdiction, the marshal shall have the power to preserve peace and maintain order through the enforcement of state statutes and regulations and local ordinances* [the marshal shall have the powers of a peace officer sheriff for the suppression of any riot, disturbance of the peace, or resistance to law or authority]. His lawful orders shall be promptly executed by deputies, police and watchmen of the city, and citizens shall lend him aid when required for the arrest of offenders and maintenance of public order.

(3) He may execute and return process issued to him by any legal authority. He shall receive the same fees as a constable for the service of process.

(4) He may, with the approval of the board of trustees, appoint deputy marshals. The only compensation of a deputy marshal shall be fees for service of process, which shall be the same as allowed to the marshal. The marshal and his sureties shall be responsible for the acts of his deputies.

(5) He may, with the approval of the board of trustees, appoint additional *police officers* [policemen] necessary to preserve public order.

(6) He shall have charge of city prisoners, and of the chain gang if one (1) is established by the board of trustees.

(7) The marshal shall perform such other duties as the city ordinances require.

SECTION 2. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

Pursuant to KRS 65.210 et seq. any two (2) or more cities of the sixth class or any city or cities of the sixth class and the county in which such city or cities are located may agree in writing that peace officers of such cities and county shall have mutual jurisdiction of such cities and county.

HB 222, AN ACT relating to municipal public works.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 94.297 is amended to read as follows:

(1) Except as provided in KRS 94.298 and 94.299, the city legislative body, in the original ordinance providing for the making of any public improvement, shall provide that the improvement be made at the exclusive cost of the owners of benefited property, as defined in KRS 94.301, or shall have the alternative of providing that the city shall pay a specified part of the cost and the owners of benefited property shall pay the balance. *If owners of benefited property in cities of the fourth, fifth and sixth classes bear the exclusive cost of a public improvement project, the project shall be exempt from the prevailing rate of wage provisions of KRS 337.505 to 337.550.*

(2) Benefited property owned by the county or any other governmental agency or unit, except a school district, shall be assessed the same as private property, and the amount of the assessment shall be

paid by the county or other governmental agency or unit, as the case may be. The same right of action for collection of the assessment shall lie against the county as is provided against any other abutting property owner.

Section 2. KRS 337.510 is amended to read as follows:

(1) Before advertising for bids or entering into any contract for construction of public works, every public authority shall notify the department in writing of the specific public work to be constructed, and shall ascertain from the department the prevailing rates of wages for each classification of laborers, workmen, and mechanics for the class of work called for in the construction of such public works in the locality where the work is to be performed. This schedule of the prevailing rate of wages shall include a statement that it has been determined in accordance with the provisions of KRS 337.505 to 337.550 and shall be attached to and made part of the specifications for the work and shall be printed on the bidding blanks and made a part of every contract for the construction of public works.

(2) The public authority advertising and awarding the contract shall cause to be inserted in the proposal and contract a stipulation to the effect that not less than the prevailing hourly rate of wages as determined by the commissioner shall be paid to all laborers, workmen, and mechanics performing work under the contract. It shall also require in all the contractor's bonds that the contractor include such provisions as will guarantee the faithful performance of the prevailing hourly wage clause as provided by contract. It shall be the duty of the public authority awarding the contract, and its agents and officers, to take cognizance of all complaints of all violations of the provisions of KRS 337.505 to 337.550 committed in the course of the execution of the contract, and when making payments to the contractor becoming due under the contract, to withhold, and retain therefrom all sums and amounts due and owing as a result of any violation thereof. It shall be lawful for any contractor to withhold from any subcontractor under him sufficient sums to cover any penalties withheld from him by the awarding authority, on account of the subcontractor's failure to comply with the terms thereof and if payment has already been made to him, the contractor may recover from him the amount of the penalty in a suit at law.

(3) In cities of the fourth, fifth and sixth classes, public improvement projects shall be exempt from the prevailing rate of wage provisions of KRS 337.505 to 337.550 when the owners of the benefited property bear the exclusive cost of a public improvement project.

The Committee Substitute to **HB 222** is as follows:

HB 222, AN ACT relating to municipal public works.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 337 IS CREATED TO READ AS FOLLOWS:

(1) The prevailing wage review board shall have the authority to modify the class of rates to be applied to any specific public works project, or to grant an exception to prevailing wage rates or coverage on any specific project in any of the following instances:

(a) If the project has been properly and legally advertised as required by state or local law and no qualified bids are received, or;

(b) If it can be conclusively shown that the application of the prevailing wage requirements set forth in this chapter on any specific public works project, constructed by any city of the fourth, fifth or sixth class or by any county which does not contain a city of the first, second or third class, would adversely affect individual private property owners in the construction of public works and where the total costs are assessed directly and exclusively against the private owners of the benefited property as provided in KRS 94.297 to 94.301;

(c) If it can be conclusively shown that the nature or scope of a proposed public works project is of such an emergency or unusual nature or is subject to such restricted and limited funding that the application of the provisions of KRS 337.505 to 337.550 would prohibit the completion or construction of the project. Such exception or modification shall apply only to public works projects constructed by cities of the fourth, fifth or sixth class or by counties which do not contain a city of the first, second or third class.

(2) No exception shall be granted nor modification approved on any project having a fairly estimated value in excess of one hundred and fifty thousand dollars ($150,000).

(3) Any interested party may request a prevailing wage review board consideration of exception to KRS 337.505 to 337.550 pursuant to this Act on any specific project by written application to the commissioner stating the reasons for such request and describing the general nature of the exception or modification desired. Any such request shall be made prior to the awarding of any work contract or the commencing of any actual construction work on the project to be considered.

(4) The commissioner shall have sole authority to convene the prevailing wage review board and any action by the prevailing wage review board shall be subject to review and approval by the commissioner.

(5) An exception or modification granted by the prevailing wage review board which does not specify a schedule of prevailing wage rates as determined by the commissioner shall contain a statement of the lowest allowable wage rates per hour for all workers and mechanics on the project and shall contain a statement that all provisions of KRS Chapter 337 not specifically excepted or modified will be complied with by the public authority. Exceptions or modifications shall be applicable only after the prevailing wage review board has given written notice to the commissioner of recommended exceptions or modifications and the commissioner has approved such recommendations. Public authorities having been granted such exception or modification shall acknowledge such action prior to commencing any affected public works project by letter to the commissioner stating that the provisions of such exception will be adhered to and that all other provisions of this chapter will be complied with.

(6) An individual may be designated by the commissioner to as chairperson and recorder at any prevailing wage review board meeting and may advise the board members of statutory provisions but shall have no voice or vote. The prevailing wage review board shall not be required to meet more often than once every sixty (60) days. If more than one (1) request is to be considered by the board and affected projects are located in more than one (1) locality, the commissioner may request the board to meet in any location which would expedite or more efficiently accommodate the boards' deliberations.

(7) Nothing contained in this section shall serve to modify, change or set aside any provisions of any other federal, state or local statute, regulation, law or ordinance.

HB 308, AN ACT relating to museums.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 97 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided herein, items donated by a person to a public or private museum shall not be loaned, traded, sold, exchanged or otherwise transferred from that museum without the consent of the donor or the heirs of the donor.

(2) Except as provided in subsection (3) of this Act items of historical, cultural, or geological significance to a region donated to or purchased by a museum operated by the state in that region, or proximate region, shall not be transferred from that museum. This subsection shall apply to items in the possession of a museum operated by the state on the effective date of this Act and to all items obtained thereafter.

(3) An item donated by a person to a public or private museum may be transferred to another museum without first obtaining the consent of the donor or the heirs of the donor solely for display for a period not to exceed six (6) months.

(4) At the expiration of six (6) months, the item shall be returned to the donee museum. The item shall not be transferred without the consent of the donor from the donee museum to a museum to which the item had been transferred under subsection (3) within the preceding twelve months.

(5) Subsections (3) and (4) of this Act shall not apply if the donor or his heirs in writing relinquish control of the item.

(6) Any person who violates any provision of this Act shall be guilty of a Class A misdemeanor.

The Committee Substitute to **HB 308** is as follows:

HB 308, AN ACT relating to museums.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 97 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created the Kentucky museum committee which shall regulate the transfer of items from and between museums operated by the state. The committee shall consist of the director of the Kentucky historical society, the director of museums of the department of parks, the director of the Kentucky arts commission, the president of the Kentucky association of museums, and the director of the Kentucky

heritage commission. The director of the Kentucky heritage commission shall be the chairman of the Kentucky museum commission. A majority of the members of the committee shall constitute a quorum and the committee shall meet at the call of the chairman.

(2) Except as provided in subsection (3) of this Act items of historical, cultural, or geological significance to a region donated to or purchased by a museum operated by the state in that region, or proximate region, shall not be transferred from that museum without the approval of the Kentucky museum committee. This subsection shall apply to items in the possession of a museum operated by the state on the effective date of this Act and to all items obtained thereafter. This section shall not apply to items in the possession or control of a state university.

(3) Except as otherwise provided by the donor in writing at the time of the gift, an item donated by a person to a museum operated by the state may be transferred to another museum without first obtaining the consent of the committee solely for display for a period not to exceed six (6) months.

(4) At the expiration of six (6) months, the item shall be returned to the donee museum. The item shall not be transferred without the consent of the committee from the donee museum to a museum to which the item had been transferred under subsection (3) within the preceding twelve months.

(5) Subsections (3) and (4) of this Act shall not apply if the donor or his heirs in writing relinquish control of the item.

(6) Any person who violates any provision of this Act shall be guilty of a Class A misdemeanor.

HB 517, AN ACT relating to cities of the third class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 85 IS CREATED TO READ AS FOLLOWS:

The legislative body of any city of the third class is authorized to pay public funds to any private agency or organization or combination of such agencies or organizations, located in the city, performing charitable and welfare work among the citizens generally of the city.

The Committee Substitute to **HB 517** is as follows:

HB 517, AN ACT relating to cities of the third class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 85 IS CREATED TO READ AS FOLLOWS:

The legislative body of any city of the third class, or the fiscal court of any county containing a city of the third class, is authorized to pay public funds to any non-profit hospital located within the city or the county and serving the citizens generally of the city and county.

The Committee on Judiciary reported **HB 408** with Committee Amendment attached thereto, **HB 424** with Committee Amendment attached thereto, **HB 446, HR 32** with Committee Amendment attached thereto, and **HB 416** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 408, AN ACT relating to marriage.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 402.080 is amended to read as follows:

(1) No marriage shall be solemnized without a license therefor. The license shall be issued by the clerk of the county in which the female resides at the time, unless the female is eighteen years of age or over or a widow, and the license is issued on her application in person or by writing signed by her, in which case it may be issued by any county clerk.

(2) No county clerk shall issue a marriage license *except to person sixty (60) years of age or older* until the application for a marriage license remains on file, open to the public, in the office of the county clerk, for three days before license is issued.

Section 2. KRS 402.120 is amended to read as follows:

(1) Each person *except persons sixty (60) years of age or older* making application for a marriage license shall, at any time within fifteen days prior to the application, be examined by a physician authorized to practice medicine in Kentucky as to the existence or nonexistence of any stage of syphilis infection that is or is likely to become communicable.

(2) No county clerk shall issue a marriage license to any person who has failed to present and file with him either a medical certificate indicating that the examination required by this section has been made, or an order from a court of proper jurisdiction directing him to issue the marriage license.

The Committee Amendment No. 1 to **HB 408** is as follows:

Amend printed copy of **HB 408,** on page 1, line 11, by deleting the words "*to person*" after the word "*except*" and inserting in lieu thereof the following: "*where both persons are*"

HB 424, AN ACT relating to the provision of attorneys for the defense of persons in civil and criminal cases.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 31.120 is amended to read as follows:

(1) The determination of whether a person covered by KRS 31.110 is a needy person shall be deferred no later than his first appearance in court or in a suit for payment or reimbursement under KRS 31.170, whichever occurs earlier. Thereafter, the court concerned shall determine, with respect to each step in the proceedings, whether he is a needy person. However, nothing herein shall prevent appointment of counsel at the earliest necessary proceeding at which said person is entitled to counsel, upon declaration by said person that he is needy under the terms of this chapter. In such event the person involved shall be required to make reimbursement for the representation involved if he later is determined not a needy person under the terms of this chapter.

(2) In determining whether a person is a needy person and in determining the extent of his inability to pay, the court concerned shall consider such factors as income, property owned, outstanding obligations, and the number and ages of his dependents. Release on bail, or any other method of release provided in KRS Chapter 431, does not necessarily prevent him from being a needy person. In each case, the person, subject to the penalties for perjury, shall certify by affidavit of indigency compiled by the pre-trial release officer, where practical, as provided under Chapter 431 and Supreme Court rules or orders promulgated pursuant thereto, such material factors relating to his ability to pay in such form as the Supreme Court prescribes.

(3) *It shall be prima facie evidence that a person is not indigent or needy within the meaning of this Act if he:*

(a) Owns real property in the Commonwealth or without the Commonwealth; or

(b) Is not receiving, or if not receiving is not eligible to receive, public assistance payments at the time the affidavit of indigency is executed; or

(c) Has paid money bail (other than a property bond of another), whether deposited by himself or another, to secure his release from confinement on the present charge of which he stands accused or convicted; or

(d) Owns more than one motor vehicle.

(4) To the extent that a person covered by KRS 31.110 is able to provide for an attorney, the other necessary services and facilities of representation, and court costs, the court shall order him to provide for their payment in an amount determined by the court and may order that such payment be made in a lump sum or by installment payments. Such determination shall be made at each stage of the proceedings. *If a person has been defended pursuant to the provisions of this Act and he is acquitted or if charges are dropped, granted probation or granted shock probation, or conditional discharge he shall be required to repay the costs of his defense and all costs incident thereto to the State Treasury under such terms and conditions as the court in which the case is tried may impose. The Supreme Court shall issue such rules as may be necessary to aid courts in their determination of how repayment is to be accomplished and what period of time shall be allowed for the repayment.*

(5)[(4)] The court shall order all monies collected pursuant to subsection *(4)* [(3)] above be paid to the clerk of that court pursuant to the schedule of payment. The clerk shall forward to the *state treasurer*

for credit to the General Fund [office for public advocacy] on a monthly basis a copy of all such orders and the monies collected pursuant thereto with an accounting as to each case.

(6)[(5)] The affidavit of indigency shall be as set out herein:

Commonwealth of Kentucky
County of ______________________________

Affiant ______________________________ , being first duly sworn says that he is not now represented by private counsel and that he does not have the money or assets out of which to employ one; that he is indigent and requests the court to appoint counsel.

Affiant states that his income is ____________________; that he owns the following property:

Description	Value
_______________	_______________
_______________	_______________
_______________	_______________;

that he has the following dependents:

Name	Age	Relationship
_______________	________	_______________
_______________	________	_______________
_______________	________	_______________;

and that he has the following obligations:

To whom owed	Amount owing
_______________	_______________
_______________	_______________
_______________	_______________;

____
Signature of affiant

Subscribed and sworn to before me this ________ , day of _______________ , 19____.

____
Signature and title of officer
administering the oath

Any persons making false statements in the above affidavit shall be subject to the penalties for perjury under KRS Chapter 523, the maximum penalty for which is five years imprisonment.

SECTION 2. A NEW SECTION OF KRS CHAPTER 405 IS CREATED TO READ AS FOLLOWS:

If any proceeding within this Commonwealth wherein a minor child is a party defendant, it shall be within the sound discretion of the court to direct that the parents or guardian of such minor child pay all attorney's fees and costs, including but not limited to amounts repayable under KRS 31.120, of said action as may be reasonable. This section shall not be construed as repealing any of the laws of the Commonwealth relating to parents' liability for the acts of their minor children, but shall be held and construed as ancillary and supplemental thereto.

The Committee Amendment No. 1 to **HB 424** is as follows:

Amend printed copy of **HB 424,** on page 3, line 5, by deleting the following language: "*If a person has been*"

and by deleting lines 6 through 15 in their entirety

and on line 19 by deleting the language "*state treasurer for credit*"

and on line 20, by deleting the words "*to the General Fund*"

and on line 20 by deleting the brackets before "office" and after "advocacy"

HB 446, AN ACT relating to eminent domain.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 381.580 is re-enacted and amended to read as follows:

Whenever it appears to a *circuit* [county] court that it is necessary for a person to have a private passway over the land of one (1) or more persons to enable him to attend courts, elections, a meeting house, a mill, warehouse, ferry, a railroad depot, most convenient to his residence, or to have a private tramroad or haul road over the land of one (1) or more persons to enable him to reach a warehouse, steamboat landing, ferry, railroad switch or navigable stream, for the purpose of operating and marketing the products from a lead mine, iron works, salt works, coal mine, fire clay and other minerals, oil well, stone quarry, sand bank or merchantable forest timber, the *private passway, tramroad or haul road shall be condemned under the procedure set forth in the Eminent Domain Act of Kentucky* [court shall appoint commissioners, as in case of a road]. The commissioners after being sworn to discharge their duties faithfully and impartially shall go upon the land through which the passway, tramroad or haul road is proposed, whether arable or not, and shall report in writing to the court, whether or not a private passway, tramroad or haul road is necessary for any of the purposes aforesaid. If the commissioners are favorable to the passway, tramroad or haul road, they shall, in their report, designate the exact route for the same by metes and bounds, courses and distances, and the width thereof, which shall not exceed sixty (60) feet, and they shall determine and assess what will be a just compensation to each owner and tenant for the land proposed to be taken, in the same manner as *set forth in the Eminent Domain Act of Kentucky* [upon application to open and establish a new road].

HR 32, A RESOLUTION to adjourn the House of Representatives in honor and memory of U.S. Supreme Court Justice William Orville Douglas.

WHEREAS, U.S. Supreme Court Justice William Orville Douglas passed away Saturday, January 19, 1980 at the distinguished age of 81; and

WHEREAS, Justice Douglas endured many hardships during his lifetime, especially his successful campaign against polio as a child; and

WHEREAS, Justice Douglas' accomplishments are multitudinous including a national reputation as a law professor at Columbia and Yale Universities, as well as, tenure as an attorney for the Securities and Exchange Commission in the 1930's; and

WHEREAS, appointed to the U.S. Supreme Court at the age of 40 in 1939 by President Franklin D. Roosevelt, Justice Douglas became the youngest man to sit on the nation's highest court since 1812; and

WHEREAS, William O. Douglas served his country as a Supreme Court Justice for 36 years - the longest career in the history of the Court; and

WHEREAS, during his term as Justice, William O. Douglas wrote more than 1,500 opinions and served with ⅓ of the 99 justices who have served on the Supreme Court; and

WHEREAS, Justice Douglas was the foremost exponent of individual liberties and the 1st Amendment, ranking alongside the illustrious Oliver W. Holmes, Louis D. Brandeis and Hugo L. Black as an implacable foe of any restriction on freedom of expression; and

WHEREAS, Justice William Douglas served as the "champion of the underdog," forever upholding his personal dogma that "the purpose of the Constitution and the Bill of Rights, unlike more recent models promoting a welfare state, was to take the government off the backs of the people";

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That when the House adjourns this day, Monday, January 21, 1980, it does so in honor and memory of Justice William Orville Douglas.

Section 2. That the Clerk of the House be directed to forward a copy of this resolution to the family of William O. Douglas.

The Committee Amendment No. 1 to **HR 32** is as follows:

Amend printed copy of **HR 32,** on page 2, line 1, by deleting the words "this day,"

and on page 2, line 2, by deleting the words "Monday, January 21," and inserting in lieu thereof "Tuesday, February 26,"

HB 416, AN ACT relating to procedures for hearing complaints against police officers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 15.410 TO 15.992 IS CREATED TO READ AS FOLLOWS:

(1) In order to establish a minimum system of professional conduct of the police officers of local units of government of this Commonwealth the following standards of conduct are stated as the intention of the general assembly to deal fairly and set administrative due process rights for police officers of the local unit of government and at the same time providing a means for redress by the citizens of the Commonwealth for wrongs allegedly done to them by police officers covered by this section:

(a) Any complaint taken from any individual alleging wrongdoing on the part of any police officer, as defined herein, shall be taken under oath in the form of an affidavit, signed, and sworn to by the complainant and duly notarized.

(b) No threats, promises, or coercions shall be used at any time against any police officer while he or she is a suspect in a criminal or departmental matter. Suspension from duty with or without pay, or reassignment to other than an officer's regular duties during such period shall not be deemed coercion.

(c) No police officer shall be subjected to interrogation in a departmental manner involving alleged misconduct on his or her part, until forty-eight (48) hours have expired from the time the request for interrogation is made to the accused officer, in writing; however, such police officer may be required to submit a written report of the alleged incident no later than the end of the tour duty in which the incident is alleged to have incurred.

(d) If a police officer is under arrest, or likely to be arrested, or a suspect in any criminal investigation he or she shall be afforded the same constitutional due process rights that are accorded to any civilian, including, but not limited to the right to remain silent, the right to counsel, and shall be notified of those rights before any questioning commences. Nothing in this section shall prevent the suspension with pay or reassignment of such police officer pending disposition of such charges.

(e) Any charge involving violation of any local unit of government rule or regulation shall be made in writing with sufficient specificity so as to fully inform the police officer the nature and circumstances of the alleged violation in order that he or she may be able to properly defend himself or herself. Said charge shall be served on the police officer in writing.

(f) When a police officer has been charged with a violation of departmental rules or regulations, no public statements shall be made concerning the alleged violation by any person or persons of the local unit of government or the police officer so charged, until final disposition of the charges.

(g) No police officer as a condition of continued employment by the local unit of government shall be compelled to speak or testify or be questioned by any person or body of a non-governmental nature.

(h) When a hearing is to be conducted by any appointing authority, legislative body, or other body as designated by the Kentucky Revised Statutes, the following administrative due process rights shall be recognized and these shall be the minimum rights afforded any police officer charged:

1. The accused police officer shall have been given at least seventy-two (72) hours notice of any hearing.

2. Copies of any sworn statements of affidavits to be considered by the hearing authority shall be furnished to the police officer no less than twenty-four (24) hours prior to the time of the hearing.

3. If the hearing is based upon a complaint of an individual, the individual shall be notified to appear at the time and place of the hearing by certified mail, return receipt requested.

4. If the return receipt as hereinabove referred to has not been returned, or the individual does not appear at the time and place of the hearing, any charge made by that individual shall not be considered by the hearing authority and shall be dismissed with prejudice.

5. The accused police officer shall have the right, and opportunity to obtain and have counsel present, and to be represented by the counsel.

6. The accused police officer shall be allowed to have presented, witnesses and any documentary evidence the police officer wishes to provide to the hearing authority, and shall have the right to cross-examination of any and all witnesses called by the charging party.

7. Any police officer who is not given a hearing as provided by this section within sixty (60) days of any charge being filed, said charge then shall be dismissed with prejudice and not be considered by any hearing authority.

(2) Any police officer who shall be found guilty by any hearing authority of any charge, may bring an action in the circuit court in the county in which said local unit of government may be located to contest the action of that hearing authority, and said action shall be tried as an original action by the court.

(3) The judgment of the circuit court shall be subject to appeal to the court of appeals. The procedure as to appeal to the court of appeals shall be the same as in any civil action. As the provisions of this Act relate to a minimum system of professional conduct, nothing herein shall be construed as limiting or in any way affecting any rights previously afforded to police officers of the Commonwealth by statute, ordinance or working agreement.

The Committee Substitute to **HB 416** is as follows:

HB 416, AN ACT relating to procedures for hearing complaints against police officers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 15.410 TO 15.992 IS CREATED TO READ AS FOLLOWS:

(1) In order to establish a minimum system of professional conduct of the police officers of local units of government of this Commonwealth the following standards of conduct are stated as the intention of the general assembly to deal fairly and set administrative due process rights for police officers of the local unit of government and at the same time providing a means for redress by the citizens of the Commonwealth for wrongs allegedly done to them by police officers covered by this section:

(a) Any complaint taken from any individual alleging misconduct on the part of any police officer, as defined herein, shall be taken under oath in the form of an affidavit, signed, and sworn to by the complainant and duly notarized.

(b) No threats, promises, or coercions shall be used at any time against any police officer while he or she is a suspect in a criminal or departmental matter. Suspension from duty with or without pay, or reassignment to other than an officer's regular duties during such period shall not be deemed coercion.

(c) No police officer shall be subjected to interrogation in a departmental matter involving alleged misconduct on his or her part, until forty-eight (48) hours have expired from the time the request for interrogation is made to the accused officer, in writing; however, such police officer may be required to submit a written report of the alleged incident no later than the end of the tour duty in which the incident is alleged to have occurred.

(d) If a police officer is under arrest, or likely to be arrested, or a suspect in any criminal investigation he or she shall be afforded the same constitutional due process rights that are accorded to any civilian, including, but not limited to the right to remain silent, the right to counsel, and shall be notified of those rights before any questioning commences. Nothing in this section shall prevent the suspension with pay or reassignment of such police officer pending disposition of such charges.

(e) Any charge involving violation of any local unit of government rule or regulation shall be made in writing with sufficient specificity so as to fully inform the police officer the nature and circumstances of the alleged violation in order that he or she may be able to properly defend himself or herself. Said charge shall be served on the police officer in writing.

(f) When a police officer has been charged with a violation of departmental rules or regulations, no public statements shall be made concerning the alleged violation by any person or persons of the local unit of government or the police officer so charged, until final disposition of the charges.

(g) No police officer as a condition of continued employment by the local unit of government shall be compelled to speak or testify or be questioned by any person or body of a non-governmental nature.

(h) When a hearing is to be conducted by any appointing authority, legislative body, or other body as designated by the Kentucky Revised Statutes, the following administrative due process rights shall be recognized and these shall be the minimum rights afforded any police officer charged:

1. The accused police officer shall have been given at least seventy-two (72) hours notice of any hearing.

2. Copies of any sworn statements of affidavits to be considered by the hearing authority shall be furnished to the police officer no less than twenty-four (24) hours prior to the time of the hearing.

3. If the hearing is based upon a complaint of an individual, the individual shall be notified to appear at the time and place of the hearing by certified mail, return receipt requested.

4. If the return receipt as hereinabove referred to has been returned unsigned, or the individual does not appear, except where due to circumstances beyond his control he cannot appear, at the time and place of the hearing, any charge made by that individual shall not be considered by the hearing authority and shall be dismissed with prejudice.

5. The accused police officer shall have the right, and opportunity to obtain and have counsel present, and to be represented by the counsel.

6. The accused police officer shall be allowed to have presented, witnesses and any documentary evidence the police officer wishes to provide to the hearing authority, and shall have the right to cross-examination of any and all witnesses called by the charging party.

7. Any police officer who is not given a hearing as provided by this section within sixty (60) days of any charge being filed, said charge then shall be dismissed with prejudice and not be considered by any hearing authority.

(2) Any police officer who shall be found guilty by any hearing authority of any charge, may bring an action in the circuit court in the county in which said local unit of government may be located to contest the action of that hearing authority, and said action shall be tried as an original action by the court.

(3) The judgment of the circuit court shall be subject to appeal to the court of appeals. The procedure as to appeal to the court of appeals shall be the same as in any civil action. As the provisions of this

Act relate to a minimum system of professional conduct, nothing herein shall be construed as limiting or in any way affecting any rights previously afforded to police officers of the Commonwealth by statute, ordinance or working agreement.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 40** and **SB 29** have been examined and found correctly enrolled. **SB 40** and **SB 29** read at length, compared and signed in open session by the speaker. Ordered delivered to the Senate.

Senate Message

Announcing passage of **SB 150, SB 157, HB 26, HB 27,** and **HCR 4** with Senate Amendment.

Calendar

HB 164, HB 238, HB 466, HB 182, HB 377, HB 462, HB 464, HR 49, and **SB 99** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 86, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Committee Substitute to **HB 86.** Agreed.

Representative Bendl moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 86.** Agreed.

Representative Bendl moved that **HB 86,** by way of Committee Substitute as amended, be passed.

Representative Allen moved that **HB 86,** by way of Committee Substitute as amended, be laid on the table.

On the roll call the vote was yeas 25-Allen, Blair, Boswell, Bruce, Burnette, Clapp, Clark, Davenport, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Fryman, Guenthner, Holloway, Layman, Lewis, Morris, Plummer, Riner, Turner, Van Horn, Wright, Yates. Nays 60-Adams, Arnold, Barrows, Bendl, Bennett, Blythe, Brinkley, Burch, Caldwell, Cawood, Clarke, Craddock, Crupper, Curd, Cyrus, DeFalaise, Donnermyer, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Jones, Kenton, Kidd, LeMaster, List, Mann, May, Maynard, McBee, McNutt, Moberly, Nett, Noe, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Sale, Schmidt, Smith, Stumbo, Thomas, Thomason, Tobin, Weinberg, White, Wilborn, Williams, Worthington.

The motion that **HB 86,** by way of Committee Substitute as amended, be laid on the table was rejected.

Representative Barrows moved the adoption of the Floor Amendment No. 4 to the Committee Substitute to **HB 86.** Agreed.

Representative Deskins moved that **HB 86,** by way of Committee Substitute as amended, be laid on the Clerk's desk.

Representative Burnette moved that the motion to lay **HB 86,** by way of Committee Substitute as amended, on the Clerk's desk be laid on the table.

On the roll call the vote was yeas 18-Allen, Blair, Bruce, Burnette, Clark, Crupper, Dawahare. DeMarcus, Deskins, Ellington, Fryman, Guenthner, Layman, Lewis, Patrick, Riner, Romines, Wright. Nays 63-Adams, Barrows, Bendl, Bennett, Blythe, Brinkley, Burch, Caldwell, Cawood, Clarke, Craddock, Curd, Cyrus, Davenport, DeFalaise, Donnermeyer, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Jones, Kenton, Kidd, LeMaster, List, Lundergan, Mann, Maynard, McBee, McNutt, Moberly, Morris, Nett, Noe, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington.

The motion that the motion to lay **HB 86,** by way of Committee Substitute as amended, on the Clerk's desk be laid on the table was rejected.

On the roll call the vote was yeas 48-Adams, Allen, Arnold, Blair, Boswell, Brown, Bruce, Burnette, Clapp, Clark, Crupper, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Freibert, Fryman, Gray, Guenthner, Haering, Holloway, Johnson, Kidd, Layman, Lewis, Little, McBee, McKinney, Moberly, Morris, O'Brien, Overstreet, Pearman, Plummer, Rattliff, P. Richardson, Riner, Smith, Thomason, Turner, Van Horn, Weinberg, Worthington, Wright, Yates. Nays 41-Barrows, Bendl, Bennett, Blythe, Brinkley, Burch, Caldwell, Cawood, Clarke, Craddock, Curd, DeFalaise, Donnermeyer, Foster, Hancock, Head, Hines, Holbrook, Isler, Jones, Kenton, LeMaster, List, Lundergan, Mann, Maynard, McNutt, Nett, Noe, Petty, Priddy, Rapier, Richards, B. Richardson, Sale, Stumbo, Thomas, Tobin, White, Wilborn, Williams.

The motion that **HB 86,** by way of Committee Substitute as amended, be laid on the Clerk's desk was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 27** and **HB 26** have been examined and found correctly enrolled. **HB 27** and **HB 26** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Speaker Pro Tempore Hancock presiding.

Orders of the Day (continued)

HB 47 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Romines moved that **HB 47** be passed.

On the roll call the vote was yeas 81-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kidd, Layman, LeMaster, List, Little, Lundergan, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright. Nays 0.

HB 47 was passed and the title agreed to.

Representative Romines moved that the vote by which **HB 47** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 396, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Floor Amendment No. 1 to **HB 396.** Agreed.

Representative B. Richardson moved that **HB 396,** as amended, be passed.

On the roll call the vote was yeas 77-Adams, Arnold, Bendl, Bennett, Blair, Blythe, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clapp, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, LeMaster, Lewis, List, Little, Lundergan, Maynard, McBee, Moberly, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Wilborn, Williams, Wright, Yates. Nays 7-Allen, Blandford, Boswell, Bruce, Burnette, Fryman, Worthington.

HB 396, as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 396,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 163 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved that **HB 163** be passed.

On the roll call the vote was yeas 71-Adams, Arnold, Bendl, Blythe, Brinkley, Bronger, Bruce, Burnette, Caldwell, Cawood, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Head, Heleringer, Hines, Holloway, Isler, Johnson, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, McBee, McKinney, McNutt, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 5-Bennett, Blair, Blandford, Boswell, Fryman.

HB 163 was passed and the title agreed to.

Representative Williams moved that the vote by which **HB 163** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Kenton presiding.

HB 231, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be ready by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved the adoption of the Committee Substitute to **HB 231.** Agreed.

Representative Schmidt moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 231.**

On the roll call the vote was yeas 22-Barrows, Blythe, Clapp, Davenport, Deskins, Freibert, Haering, Hancock, Heleringer, Holbrook, Holloway, Layman, Lewis, McNutt, Petty, Robinson, Schmidt, Stumbo, Thomas, Tobin, Turner, Worthington. Nays 63-Adams, Allen, Arnold, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Head, Hines, Isler, Johnson, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, McBee, McKinney, Moberly, Morris, Noe, Overstreet, Pearman, Plummer, Priddy, Rapier, Richards, B. Richadson, P. Richardson, Riner, Smith, Stone, Thomason, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates.

Floor Amendment No. 1 to the Committee Substitute to **HB 231** was rejected.

Representative Jones moved that **HB 231,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 46-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Cawood, Clarke, Craddock, Deskins, Ellington, Farrow, Foster, Holbrook, Holloway, Jones, Kenton, Lewis, List, Lundergan, Mann, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Wilborn, Williams, Worthington. Nays 37-Allen, Blair, Brinkley, Bronger, Bruce, Burnette, Caldwell, Clapp, Clark, Crupper, Curd, Cyrus, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Isler, Johnson, Layman, Little, McBee, McKinney, Rapier, Rattliff, Riner, Stone, Weinberg, White, Wright.

HB 231, by way of Committee Substitute, was passed and the title agreed to.

Representative Jones moved that the vote by which **HB 231,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 318, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved the adoption of the Committee Amendment No. 1 to **HB 318.**

On the roll call the vote was yeas 56-Allen, Barrows, Bennett, Blythe, Boswell, Brinkley, Bronger, Burnette, Caldwell, Cawood, Curd, Davenport, Dawahare, DeFalaise, Deskins, Dunn, Farrow, Foster, Freibert, Gray, Hancock, Heleringer, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, McBee, McKinney, Moberly, Morris, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, Riner, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, Wright, Yates. Nays 4-DeMarcus, Donnermeyer, Mann, Worthington.

Committee Amendment No. 1 to **HB 318** was adopted.

Representative Van Horn moved that **HB 318,** as amended, be passed.

On the roll call the vote was yeas 77-Adams, Allen, Arnold, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Craddock, Crupper, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, McBee, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Tobin, Turner, Van Horn, Weinberg, White, Williams, Wright, Yates. Nays 8-Barrows, Blair, Blythe, Cawood, Clarke, Thomas, Wilborn, Worthington.

HB 318, as amended, was passed and the title agreed to.

Representative Van Horn moved that the vote by which **HB 318,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HCR 26, HCR 19,** and **HB 70.**

Orders of the Day (continued)

HB 344, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved the adoption of the Committee Amendment No. 1 to **HB 344.** Agreed.

Representative Pearman moved that **HB 344,** as amended, be passed.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, List, Little, Lundergan, Mann, McBee, McKinney, McNutt, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 2-Cawood, DeMarcus.

HB 344, as amended, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 344,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 356 taken from the Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeFalaise moved that **HB 356** be passed.

On the roll call the vote was yeas 62-Allen, Arnold, Barrows, Bennett, Blair, Blythe, Brinkley, Brown, Caldwell, Cawood, Clark, Clarke, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Fryman, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Kenton, Kidd, Layman, Lewis, List, Little, Lundergan, McBee, McKinney, McNutt, Moberly, Nett, O'Brien, Overstreet, Petty, Plummer, Priddy, Rattliff, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright. Nays 23-Adams, Blandford, Bronger, Bruce, Burnette, Clapp, Crupper, Curd, Cyrus, Deskins, Farrow, Foster, Freibert, Gray, Holloway, Johnson, LeMaster, Morris, Pearman, Rapier, B. Richardson, P. Richardson, Richards.

HB 356 was passed and the title agreed to.

Representative DeFalaise, moved that the vote by which **HB 356** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 232 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved that **HB 232** be passed.

On the roll call the vote was yeas 77-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright. Nays 3-Allen, Burnette, Tobin.

HB 232 was passed and the title agreed to.

Representative Jones moved that the vote by which **HB 232** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 402 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved that **HB 402** be passed.

On the roll call the vote was yeas 80-Adams, Allen, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 1-DeMarcus.

HB 402 was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 402** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 63, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Davenport moved the adoption of the Committee Amendment No. 1 to **SB 63**. Agreed.

Representative Davenport moved that **SB 63,** as amended, be passed.

On the roll call the vote was yeas 81-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kidd, Layman, LeMaster, Lewis, List, Lundergan, McBee, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 4-Bruce, Dawahare, Noe, Stumbo.

SB 63, as amended, was passed and the title agreed to.

Representative Davenport moved that the vote by which **SB 63,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 324 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **HB 324** be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, Lewis, List, Lundergan, Mann, McBee, McKinney, Moberly, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-LeMaster.

HB 324 was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 324** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HCR 19, HCR 26,** and **HB 70** have been examined and found correctly enrolled. **HCR 19, HCR 26,** and **HB 70** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day (continued)

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred. Agreed.

Motions, Petitions, and Communications

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Speaker Pro Tempore Hancock presiding.

Introduction of Bills and Resolutions (continued)

HB 612, by Representative Donnermeyer: AN ACT relating to the unemployment insurance program.

HB 613, by Representative Adams: AN ACT relating to real estate brokers.

HB 614, by Representative Romines: AN ACT relating to elections of members of boards of education.

HB 615, by Representatives Gray and Allen: AN ACT proposing to amend the Constitution of Kentucky relating to the Court of Justice.

HB 616, by Representative Thomas: AN ACT relating to plumbers and plumbing.

HB 617, by Representatives LeMaster, B. Richardson, and Deskins: AN ACT relating to comparative fault.

HB 618, by Representatives Nett, Burch, Clark, Williams, Bennett, Dunn, Maynard, Wright, Blythe, Holloway, Hines, O'Brien, Haering, Bendl, Bronger, Heleringer, Kidd, Priddy, Riner, and Guenthner: AN ACT making appropriation to the University of Louisville for indigent medical care.

HB 619, by Representative Mann: AN ACT relating to local option.

HB 620, by Representatives Priddy, Holloway, Bennett, Romines, Yates and Dunn: AN ACT relating to crimes and punishments.

HB 621, by Representatives Priddy, Holloway, Bennett, Romines, Yates, and Dunn: AN ACT relating to crimes and punishments.

HB 622, by Representatives Schmidt and Petty: AN ACT relating to litter violators.

HB 623, by Representatives Cyrus, Donnermeyer and Bennett: AN ACT relating to workmen's compensation.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Transportation: **HB 459, HB 500, HB 525.**

State Government: **HB 189, HB 515, HB 516, HB 514, HR 62.**

Appropriations and Revenue: **HB 342, HB 188, HB 91.**

Counties and Special Districts: **HB 299, HB 534, HB 547, HB 502.**

Cities: **HB 543, HCR 66, HB 593.**

Business Organizations and Professions: **HB 478, HB 538, HB 555, HB 586, HB 307.**

Judiciary: **HB 575, HB 507, HB 506, HB 505, HB 328, HB 357, SB 59.**

Motions, Petitions and Communications

Representative B. Richardson moved that when the House adjourns, it do so until Monday, February 25, 1980, at 5:00 p.m. Agreed.

Representative B. Richardson moved that when the House adjourns, it do so by voice vote. Agreed.

Representative Stumbo moved that the rules be suspended to withdraw his name as co-sponsor of **HB 372.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Cawood, **HB 468;** Representative McBee, **HB 538;** Representative McNutt, **HB 552;** Representative Nett, **HB 610;** Representative Romines, **HB 470, HB 469.**

Representative Bendl moved that **HB 548** be returned to the Committee on Committees for reassignment.

On the roll call the vote was yeas 37-Adams, Arnold, Barrows, Bendl, Blythe, Boswell, Bronger, Caldwell, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, DeMarcus, Donnermeyer, Dunn, Freibert, Fryman, Gray, Heleringer, Hines, Holbrook, Mann, McBee, McNutt, Moberly, Petty, Rapier, Richards, Romines, Schmidt, Thomason, Wilborn, Worthington, Wright. Nays 1-Morris.

The motion that **HB 548** be returned to the Committee on Committees for reassignment was adopted.

Representative Farrow moved that the rules be suspended to withdraw **HB 372.** Agreed.

Representative Farrow moved that **HB 372** be withdrawn.

On the roll call the vote was yeas 31-Adams, Arnold, Barrows, Bendl, Bronger, Caldwell, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Donnermeyer, Dunn, Farrow, Freibert, Gray, Heleringer, Hines, Holloway, McBee, Moberly, Morris, Petty, Priddy, Rapier, Richards, Thomason, Worthington. Nays 2-Blythe, Holbrook.

HB 372, was withdrawn.

Representative Heleringer moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Heleringer moved the adoption of the following **HR 72:**

HR 72, A RESOLUTION requesting Governor John Y. Brown, Jr. to designate Thursday, May 1, 1980, as "Save the Children Day" in Kentucky.

WHEREAS, Thursday, May 1, 1980 will be the third annual "Save the Children Day" to be celebrated across the nation; and

WHEREAS, the purpose of "Save the Children Day" is to focus public attention on the needs and rights of children; and

WHEREAS, in 1979, 42 state governors issued official proclamations declaring May 1st as "Save the Children Day"; and

WHEREAS, it is the goal of "Save the Children Day" to make children visible to government officials reminding them of society's responsibilities to its future leaders;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House requests and urges Governor John Y. Brown, Jr. to designate Thursday, May 1, 1980, as "Save the Children Day" in Kentucky.

Agreed.

Representative Cyrus moved that the call of the roll be taken to show co-sponsors of **HB 624.** Agreed.

The following members requested that their names be added as co-sponsors of **HB 624:** Brinkley, Clark, Dunn, Heleringer, Holbrook, Holloway, Mann, Moberly, Morris, Pearman, Priddy, Rapier, P. Richardson, Worthington.

Representative Pearman moved that **HB 204** be taken from the Clerk's desk and placed in Orders of the Day for Monday, February 25, 1980. Agreed.

Senate Message

Announcing passage of **SB 22, SB 90, SB 142,** and **SB 25.**

Motions, Petitions and Communications (continued)

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 5 to the Committee Substitute to **HB 86,** by Representative DeMarcus, is as follows:

Amend printed copy of Committee Substitute to **HB 86,** on page 5, a new section which states: "The provisions of this bill shall apply in first class cities only."

Floor Amendment No. 2 to **HB 204,** by Representative Pearman is as follows:

Amend printed copy of **HB 204,** page 1, on line 7, by deleting the word "*eighteen*" and substituting therefor: "*twenty-four*";

and on line 8, by deleting "*(18)*" and substituting therefor: "*(24)*";

and on line 8, by deleting "*twenty-four (24)*" and substituting therefor: "*thirty-six (36)*";

and on line 9, by adding after "other." the following: "*The county clerk shall provide a plat cabinet with an appropriate index for those plats which are too large to be placed in a plat book.*";

and by adding after line 9 the following:

"Section 2. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

Recording deed of trust or assignment for the benefit of creditors, provided the entire record thereof does not exceed three pages	$ 5.00
Exceeding three pages, for each page	1.50
Copy and certification of same when ordered	3.50
Each bond required to be taken or prepared by the clerk	2.00
Copy of any bond when ordered	1.50
Recording a bond, each bond	5.00

Receiving the acknowledgment or proof of any deed, mortgage or agreement, power of attorney, or other written instrument required by law to be done and certifying same	1.25
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of deed	3.50
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of real estate mortgage	3.50
Recording deed of assignment of real estate mortgage	5.00
Noting release of any lien, mortgage or redemption other than a deed of release	1.50
Receiving the acknowledgment, recording and certifying each deed of release of a mortgage or lien under KRS 382.360	5.00
Each additional marginal notation relating to same instrument	1.50
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	10.00
Recording survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city	10.00
Every order concerning the establishment, changing, closing or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed or discontinued, and by the applicant when it is not	1.00
Administering an oath and certificate thereof	1.00
Issuing license for which no other fee is fixed by law	1.50
Marriage license, bond, certificate and recording	4.00
For filing and indexing an original or continuation financing statement, and noting the security interest on the required receipt for one motor vehicle	6.00
For filing and indexing an assignment of a financing statement	6.00
For filing and noting a statement of release of collateral under a financing statement	1.00
Recording real estate options, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording power of attorney or revocation of power of attorney, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording plats, maps and surveys, not exceeding *24* [(18)] inches by *(36)*[(24)] inches, per page	10.00
Recording all leases which are recordable by law, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Marginal notation to same instrument	1.50
Filing or recording of certification of intention to operate a business under an assumed name	5.00
Filing or recording of mechanic's and artisan's liens under KRS Chapter 376	5.00
Filing or recording of notice of lien issued by the Internal Revenue Service	5.00
Filing or recording of notice of lien discharges issued by the Internal Revenue Service	5.00
Filing or recording of lis pendens notice concerning proceedings in bankruptcy and other lis pendens notices, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording United States liens, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording release of a United States lien, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording state tax or other state liens	5.00
Filing release of a state tax or other state lien	5.00
Filing notification and declaration and petition of candidates for office	5.00
Deposit of wills under KRS 394.110	5.00
Recording wills or other probate documents under KRS 394.300	5.00
Issuance of fish and game licenses or tags costing more than $1.00 each	.50
Registration of licenses for professional persons required to register with the county clerk	5.00

Recording and issuing articles, statements, or reports of corporations pursuant to KRS Chapter 271A, including articles of incorporation amendment, restatement of incorporation, merger, or dissolution and statements of establishment of a series of shares, cancellation of a series of shares, reduction of capital, intent to dissolve, revocation of voluntary dissolution, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Miscellaneous recordings for which no specific fee is set, provided the entire record thereof does not exceed three pages (except military discharges)	5.00
Exceeding three pages, each additional page	1.50
Filing miscellaneous documents for which no specific fee is set, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, each additional page	1.50

Floor Amendment No. 1 to **HB 226,** Representative Burnette, is as follows:

Amend printed copy of **HB 226,** on page 1, line 9, after the word "place", insert the words "*of business*"

Floor Amendment No. 1 to the Committee Substitute to **HB 249,** by Representative Williams, is as follows:

Amend printed copy of Committee Substitute to **HB 249,** on page 2, line 2, by deleting the following: "parole,"

Floor Amendment No. 1 to **HB 462,** by Representative B. Richardson, is as follows:

Amend printed copy of **HB 462,** page 9, line 12, by deleting "a corporation" and inserting in lieu thereof "any person"; and on

Page 9, lines 14 and 15 by deleting "a corporation" and inserting in lieu thereof "any person"; and on

Page 9, line 17, by deleting "a corporation" and inserting in lieu thereof "any person"; and on

Page 9, line 17, after the word "such" by deleting the word "corporation" and inserting in lieu thereof "person"; and on

Page 9, lines 23 and 24, by deleting "corporation" and inserting in lieu thereof "person"; and on

Page 10, line 8, by deleting "a corporation" and inserting in lieu thereof "any person"; and on

Page 10, lines 10 and 11, by deleting "a corporation" and inserting in lieu thereof "any person"; and on

Page 10, lines 12 and 13, by deleting "a corporation" and inserting in lieu thereof "person"; and on

Page 10, line 13, after the word "such" by deleting "corporation" and inserting in lieu thereof "person"; and on

Page 10, line 21, by deleting the word "corporation" and inserting in lieu thereof "person"; and on

Page 10, line 24, by deleting "corporation" and inserting in lieu thereof "person"; and on

Page 10, line 26, by deleting "corporation" and inserting in lieu thereof "person"; and on

Page 11, line 8, by deleting "corporation" and inserting in lieu thereof "person".

Floor Amendment No. 3 to **HB 62,** by Representative Dawahare, is as follows:

Amend printed copy of **HB 62,** on page 6, after line 13, insert the following:

"(c) The corporation shall make loans under this Section in an equal number in each of the seven congressional districts."

Floor Amendment No. 6 to Committee Substitute to **HB 86,** by Representative Deskins, is as follows:

Amend printed copy of Committee Substitute for **HB 86,** on page 1, line 8, following the word "*officer*" to add "*, employed by a county containing a city of the first class, city of the first class, city of the second class, urban county government, or the Kentucky state police.*"

and on page 1, line 9, after the word "*believing*" to add "*and when the abused person makes a signed, written complaint in the presence of the officer and tenders the document to the officer (in the case of an abused child the complaint may be made by a parent or guardian)*"

Floor Amendment No. 1 to **HB 239,** by Representative Mann, is as follows:

Amend printed copy of **HB 239,** on page 2, line 25 after the word "committed" by deleting "on business organizations and professions" and inserting in lieu thereof: "assigned general jurisdiction for occupational regulation"; and on

Page 3, line 8, after the word "committee" by deleting "on business organizations and professions" and inserting in lieu thereof: "assigned general jurisdiction for occupational regulation"

Adjournment

Representative B. Richardson moved that the House adjourn until 5:00 p.m., Monday, February 25, 1980.

The House adjourned by voice vote.

MONDAY, FEBRUARY 25, 1980

THIRTIETH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Dr. Harold E. Henson, First United Methodist Church, Frankfort.

The speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Ellington, Freibert, Isler, Lewis, Lundergan, Smith, and Williams.

Representative Farrow moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 22, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 624, by Representatives Cyrus and McBee: AN ACT relating to amygdalin (laetrile).

HB 625, by Representative Burnette: AN ACT making an appropriation for bounties on beaver.

HB 626, by Representative Van Horn: AN ACT relating to news media personnel.

HB 627, by Representative Wilborn: AN ACT relating to domestic stock insurers and companies controlling such insurers.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 606, HB 618.**

Banking and Insurance: **HB 603.**

Business Organizations and Professions: **HB 548, HB 608, HB 613, HB 616, HB 619, SB 90.**

Cities: **HB 611, SB 22, SB 25.**

Counties and Special Districts: **HB 610.**

Education: **HB 605, SB 142.**

Elections and Constitutional Amendments: **HB 614, HB 615, SB 150.**

Judiciary: **HB 617, HB 620, HB 621, HB 622, SB 157.**

Labor and Industry: **HB 612, HB 623.**

State Government: **HB 604, HB 609.**

Transportation: **HB 607.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Education: **HB 550.**

Agriculture and Small Business: **HB 105, HB 472, HB 568, SB 7.**

Transportation: **HB 581.**

Report of Committees

The Committee on Rules reported **HB 265, HB 352, HB 375, HB 376, HB 462, HB 397, HB 464, SB 57, SB 62, SB 99, HJR 43,** and **SJR 8** have been posted for passage in Orders of the Day February 26, 1980.

The Committee on Rules reported the following Bills have been recommitted: **HB 53** to the Committee on Judiciary, **HB 152** to the Committee on Education.

Report on Enrolled Bills

HB 26, HB 27, HB 70, HCR 19, and **HCR 26** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Calendar

HB 330, HB 467, HB 408, HB 424, HB 446, HR 32, HB 81, HB 110, HB 222, HB 308, HB 517, and **HB 416** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 62, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kidd moved the adoption of the Floor Amendment No. 1 to **HB 62.** Agreed.

Representative Dawahare moved the adoption of the Floor Amendment No. 3 to **HB 62.** Agreed.

Representative Kidd moved that **HB 62,** as amended, be passed.

On the roll call the vote was yeas 85-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Little, Mann, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 62, as amended, was passed and the title agreed to.

Representative Kidd moved that the vote by which **HB 62,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 135, HB 83** with senate Amendment, and **HJR 8** with Senate Amendment.

Orders of the Day (continued)

HB 15, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yates moved the adoption of the Committee Substitute to **HB 15.** Agreed.

Representative Yates moved that **HB 15,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 66-Adams, Allen, Bendl, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Foster, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Kenton, Kidd, Layman, Little, Mann, McBee, McKinney, McNutt, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, White, Yates. Nays 10-Arnold, Blythe, Cawood, Farrow, Hancock, LeMaster, Moberly, Tobin, Wilborn, Wright.

HB 15, by way of Committee Substitute, was passed and the title agreed to.

Representative Yates moved that the vote by which **HB 15,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 233 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved that **HB 233** be passed.

On the roll call the vote was yeas 69-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, LeMaster, List, Mann, McBee, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Wright, Yates. Nays 16-Allen, Barrows, Boswell, Burnette, DeMarcus, Fryman, Head, Layman, Little, McKinney, McNutt, Patrick, Robinson, Tobin, White, Worthington.

HB 233 was passed and the title agreed to.

Representative Jones moved that the vote by which **HB 233** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 235, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of the Committee Amendment No. 1 to **HB 235.** Agreed.

Representative Noe moved that **HB 235,** as amended, be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Mann, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 1-Guenthner.

HB 235 was passed and the title agreed to.

Representative Noe moved that the vote by which **HB 235** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 239, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Floor Amendment No. 1 to **HB 239.** Agreed.

Representative Mann moved that **HB 239,** as amended, be passed.

On the roll call the vote was yeas 77-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Guenthner, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, List, Little, Mann, McBee, McKinney, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Worthington, Yates. Nays 6-Burnette, Hancock, Morris, Patrick, Riner, Wright.

HB 239 as amended, was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 239,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 283, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wilborn moved the adoption of the Floor Amendment No. 1 to **HB 283.** Agreed.

Representative B. Richardson moved that **HB 283,** as amended be passed.

On the roll call the vote was yeas 88-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Dunn, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Mann, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 283, as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 283,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 310 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adams moved that **HB 310** be passed.

On the roll call the vote was yeas 85-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Mann, McBee, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 310 was passed and the title agreed to.

Representative Adams moved that the vote by which **HB 310** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 412, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 412** be laid on the Clerk's desk.

On the roll call the vote was: Yeas - 70, Nays - 0.

The motion that **HB 412** be laid on the Clerk's desk was adopted.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Representative B. Richardson moved that when the House adjourns, it do so until Tuesday, February 26, 1980 at 2:00 p.m. Agreed.

Representative B. Richardson moved that when the House adjourns, it do so by voice vote. Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Cawood, **HB 235;** Representative Brown, **HB 624;** Representative Van Horn, **HB 307;** Representative Donnermeyer, **HB 624.**

Representative Donnermeyer moved that he be recorded as voting "yea" on **HB 283.** Agreed.

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to **HB 265,** by Representative Cawood, is as follows:

Amend printed copy of **HB 265,** page 5, by adding after line 6 the following:

"Section 3. KRS 61.701 is amended to read as follows:

(1) There is hereby created and established a state fund to be known as "Kentucky retirement systems insurance fund".

(2) The fund is created for the purpose of providing a fund separate from the retirement funds and is to be used to provide fringe benefits to retired recipients and employes of employers participating in the Kentucky employes retirement system, county employes retirement system, and state police retirement system, *and to certain of their dependents or beneficiaries named in KRS 61.702(4).*

(3) The fund shall be administered by the board of trustees of the Kentucky retirement systems and the board shall manage the assets of the fund in the same manner in which it administers the retirement funds.

Section 4. KRS 61.702 is amended to read as follows:

(1) The board of trustees of Kentucky retirement systems shall arrange by appropriate contract or on a self insured basis to provide a group hospital and medical insurance plan for present and future recipients

of a retirement allowance from the Kentucky employes retirement system, county employes retirement system and state police retirement system.

(2) Each employer participating in the state police retirement system as provided for in KRS 16.505 to 16.652, and each employer participating in the county employes retirement system as provided in KRS 78.510 to 78.852 and each employer participating in the Kentucky employes retirement system as provided for in KRS 61.510 to 61.692 shall contribute to the Kentucky retirement systems insurance fund the amount necessary to provide hospital and medical insurance as provided for under this section. Such employer contribution rate shall be developed by appropriate actuarial method as a part of the determination of each respective employer contribution rate to each respective retirement system determined under KRS 61.565.

(3) The premium required to provide hospital and medical benefits under this section shall be paid in full from the insurance fund for all recipients of a retirement allowance from any of the three (3) retirement systems where such recipient is a retired former member of one (1) or more of the three (3) retirement systems (not a beneficiary or dependent child receiving benefits) and had two hundred and forty (240) months or more of service upon retirement. Should such recipient have less than two hundred forty (240) months of service but have at least one hundred eighty (180) months of service, seventy-five percent (75%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining twenty-five percent (25%) by payroll deduction from his retirement allowance. Should such recipient have less than one hundred eighty (180) months of service but have at least one hundred twenty (120) months of service, fifty percent (50%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining fifty percent (50%) by payroll deduction from his retirement allowance. Should such recipient have less than one hundred twenty (120) months of service but have at least forty-eight (48) months of service, twenty-five percent (25%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining seventy-five percent (75%) by payroll deduction from his retirement allowance. Notwithstanding the foregoing provisions of this subsection, a state police retirement system member or a hazardous position employe, as defined in KRS 61.592, who becomes disabled in line of duty, as defined in KRS 16.505(20), shall have his premium paid in full as if he had two hundred forty (240) months or more of service. "Months of service" as used in this section shall mean the total months of combined service used to determine benefits under any or all of the three (3) retirement systems except service added to determine disability benefits shall not be counted as "months of service."

(4) Group rates under the hospital and medical insurance plan shall be made available to the spouse and dependents of a recipient who was a former member of one (1) or more of the three (3) retirement systems, and to the beneficiary where such beneficiary is receiving a retirement allowance, provided the premium for the spouse, dependent or beneficiary hospital and medical insurance is paid by payroll deduction from such retirement allowance. *The other provisions of this section notwithstanding, the insurance fund shall pay the same percentage of the premium for the spouse and dependents of a recipient who was a member of the general assembly, or the beneficiary of such a member, as the fund pays or paid for the member.*

(5) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient. No commission shall be paid for hospital and medical insurance procured under authority of this section."

Floor Amendment No. 1 to **HB 380,** by Representative Pearman, is as follows:

Amend printed copy of **HB 380,** on page 2, line 2, by inserting a period "." after the word "chapter" and by deleting the word "*and*" and by inserting in lieu thereof the following: "*The first offense will result in a letter of warning from the Division of Livestock Sanitation. Any subsequent offense*".

Floor Amendment No. 1 to **HR 62,** by Representative Boswell, is as follows:

Amend printed copy of **HR 62,** on page 2, line 2, after be insert *registered and*

Floor Amendment No. 8 to the Committee Substitute to **HB 86,** by Representative Deskins, is as follows:

Amend printed copy of Committee Substitute for **HB 86,** on page 1, line 8, by deleting the words "*without warrant*" and by inserting in lieu thereof "*for a misdemeanor*"

and on page 1, line 14, by adding the following:

An arrest may be made under this section only when the victim of the abuse (or in the case of a child or parent or guardian) or other person who has witnessed the abuse tenders to the peace officer a written, signed complaint setting for the nature of the abuse and the name of the person alleged to have perpetrated the abuse and the officer has obtained from a justice, judge, or trial commissioner a warrant of arrest. In such cases it shall not be necessary for the complainant to appear personally before the justice, judge or trial commissioner."

Floor Amendment No. 7 to the Committee Substitute to **HB 86,** by Representative Bendl, is as follows:

Amend printed copy of Committee Substitute for **HB 86,** on page 1, after line 18, insert the following:

"*For purposes of subsection (2) of this section a "peace officer" is a full time sworn officer of the Kentucky State Police, a full time city policeman, a full time county policeman, a full time city-county policeman, a duly elected sheriff, or a full time paid deputy sheriff.*"

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 628, by Representative Barrows: AN ACT relating to voted school building fund tax levies.

HB 629, by Representative Foster: AN ACT relating to prevailing wages.

HB 630, by Representatives Romines, Morris, Priddy, Davenport, McKinney, and Bennett: AN ACT relating to motor vehicle and trailer registration, titling and theft, and making an appropriation therefor.

HB 631, by Representative Hancock: AN ACT relating to state personnel.

HB 632, by Representative Van Horn: AN ACT relating to the payment of costs for examination and treatment of rape victims.

HB 633, by Representatives Clarke, Kenton, and B. Richardson: AN ACT relating to individual income taxes.

HB 634, by Representative Thomas: AN ACT relating to harness racing.

HR 73, by Representatives Davenport, Rattliff, Romines, McKinney, and P. Richardson: A RESOLUTION urging the Commissioner of Agriculture to reduce the population of blackbirds and starlings in the state.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Natural Resources and Environment: **HB 482, HB 481, HB 296, HCR 37.**

Transportation: **SB 6.**

State Government: **SB 11, HB 400, HB 456, HB 604, HB 574.**

Cities: **HB 598.**

Announcements

The following meetings were announced:

Transportation: Tuesday, 9:00 a.m., Room 9.

Natural Resources and Environment: Special meeting, Tuesday, 10:00 a.m., House chamber.

Human Resources hearing: Tuesday, 8:30 a.m., Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Tuesday, February 26, 1980.

The motion to adjourn was adopted by voice vote.

TUESDAY, FEBRUARY 26, 1980

THIRTY-FIRST LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Chaplain Larry Austin, Central Kentucky Treatment Center, Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Freibert, Isler, Lewis and Smith.

Representative Farrow moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Deskins moved that the Journal of February 25, 1980, be read.

Representative Deskins moved that the motion to have the Journal of February 25, 1980, read be withdrawn. Agreed.

Representative Brinkley moved that the reading of the Journal of February 25, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 635, by Representative Jones: AN ACT relating to crimes and punishments.

HB 636, by Representative Gray: AN ACT relating to workmen's compensation.

HB 637, by Representative Gray: AN ACT relating to wages and hours.

HB 638, by Representative Gray: AN ACT relating to wages and hours.

HB 639, by Representative Gray: AN ACT relating to payment of wages.

HB 640, by Representative Gray: AN ACT relating to wages and hours.

HB 641, by Representative Gray: AN ACT relating to state police retirement.

HB 642, by Representative Kidd: AN ACT relating to insurance.

HB 643, by Representative B. Richardson: AN ACT relating to industrial loan companies.

HB 644, by Representative B. Richardson: AN ACT relating to the Kentucky labor-management advisory council.

HB 645, by Representative B. Richardson: AN ACT relating to court duty.

HB 646, by Representative B. Richardson: AN ACT relating to the wages and hours of employes.

HB 647, by Representative B. Richardson: AN ACT relating to powers of the Commissioner of the Department of Labor.

HB 648, by Representative Clarke: AN ACT relating to interest and penalties on taxes.

HB 649, by Representative Mann: AN ACT relating to individual income tax.

HB 650, by Representative Clarke: AN ACT relating to revenue and taxation.

HB 651, by Representatives Blandford, Bronger, Bennett, Boswell, Burnette, Clapp, Clark, Foster, Holbrook, Johnson, Little, Lundergan, McNutt, Morris, Pearman, Schmidt, and Thomas: AN ACT relating to litter control.

HB 652, by Representative Kidd: AN ACT relating to the Kentucky "FAIR" Plan and Resinsurance Association.

HB 653, by Representative Thomas: AN ACT relating to business development corporations.

HB 654, by Representative Mann: AN ACT relating to public accountants.

HB 655, by Representatives Morris and Hancock: AN ACT relating to the Bureau for the Blind.

HB 656, by Representative B. Richardson: AN ACT relating to the conditions of and procedure for conversion of national banking association to state bank or merger with state bank.

HB 657, by Representative B. Richardson: AN ACT relating to banks.

HB 658, by Representative B. Richardson: AN ACT relating to petty loan companies.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HR 73.**

Appropriations and Revenue: **HB 625, HB 633.**

Banking and Insurance: **HB 627.**

Business Organizations and Professions: **HB 634.**

Cities: **HB 632.**

Education: **HB 628.**

Health and Welfare: **HB 624.**

Judiciary: **HB 626.**

Labor and Industry: **HB 629.**

State Government: **HB 631.**

Transportation: **HB 630, SB 135.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Banking and Insurance: **SB 143, HB 587, HB 540.**

Transportation: **HB 530.**

Education: **HB 524, HJR 65.**

Cities: **HB 611.**

Report of Committees

The Committee on Rules reported **HB 110, HB 126, HB 359, HB 360, HB 377, HB 408, SB 46** and **SJR 2** have been posted for passage in Orders of the Day, February 27, 1980.

The Committee on Rules reported the following Bills have been recommitted:

HB 380 to the Committee on State Government.

HB 388 to the Committee on Appropriations and Revenue

The Committee on Judiciary reported **HB 389, HB 370, HB 415, HB 418, HB 504** with Committee Amendment attached thereto, and **HB 505** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 389, AN ACT relating to controlled substances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 218A.050 is amended to read as follows:

Unless otherwise rescheduled by regulation of the department for human resources the controlled substances listed in this section are included in Schedule I:

(1) Any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers and salts is possible within the specific chemical designation: Acetylmethadol; Allylprodine; Alphacetylmethadol; Alphameprodine; Alphamethadol; Benzethidine; Betacetylmethadol; Betameprodine; Betamethadol; Betaprodine; Clonitazene; Dextromoramide; Dextrorphan; Diampromide; Diethylthiambutene; Dimenoxadol; Dimepheptanol; Dimethylthiambutene; Dioxaphetylebutyrate; Dipipanone; Ethylmethylthiambutene; Etonitazene; Etoxeridine; Furethidine; Hydroxpethidine; Ketobemidone; Levomoramide; Levophenacylmorphan; Morpheridine; Noracymethadol; Norlevorphanol; Normethadone; Norpipanone; Phenadoxone; Phenampromide; Phenomorphan; Phenoperidine; Piritramide; Propheptazine; Properidine; Propiram; Racemoramide; Trimeperidine.

(2) Any of the following opium derivatives, their salts, isomers and salts of isomers, unless specifically excepted, whenever the existence of these salts, isomers and salts of isomers is possible within the specific chemical designation: Acetorphine; Acetyldihydrocodeine; Benzylmorphine; Codeine methylbromide; Codeine-N-Oxide; Cyprenorphine; Desomorphine; Dihydromorphine; Etorphine; Heroin; Hydromorphinol; Methyldesorphine; Methyldihydromorphine; Morphine methylbromide; Morphine methylsulfonate; Morphine-N-Oxide; Myrophine; Nicocodeine; Nicomorphine; Normorphine; Phoclodine; Thebacon.

(3) Any material, compound, mixture or preparation which contains any quantity of the following hallucinogenic substances, their salts, isomers and salts of isomers, unless specifically excepted, whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation. 3, 4-methylenedioxy amphetamine; 5-methoxy-3, 4-methylenedioxy amphetamine; 3,4, 5-trimethoxy amphetamine; Bufotenine; Diethyltryptamine; Dimethyltryptamine; 4-methyl-2, 5-dimethoxylamphetamine; Ibogaine; Lysergic acid diethylamide; Marihuana; Mescaline; Peyote; N-ethyl-3-piperidyl benzilate; N-methyl-3-piperidyl benzilate; Psilocybin; Psilocyn; Tetrahydrocannabinols; Hashish; *Phencyclidine.*

Section 2. KRS 218A.090 is amended to read as follows:

Unless otherwise rescheduled by regulation of the department for human resources the controlled substances listed in this section are included in Schedule III:

(1) Unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a depressant effect on the central nervous system: Any substance which contains any quantity of a derivative of barbituric acid, or any salt of a derivative of barbituric acid; Chlorhexadol; Glutethimide; Lysergic acid; Lysergic acid amide; Methyprylon; [Phencyclidine;] Sulfondiethylmethane; Sulfonethylmethane; Sulfonmethane.

(2) Nalorphine.

(3) Pentazocine (parenteral or injectable form only).

(4) Any material, compound, mixture, or preparation containing limited quantities of any of the following narcotic drugs, or any salts thereof:

(a) Not more than 1.8 grams of codeine, or any of its salts, per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium;

(b) Not more than 1.8 grams of codeine, or any of its salts, per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active nonnarcotic ingredients in recognized therapeutic amounts;

(c) Not more than 300 milligrams of dihydrocodeinone, or any of its salts, per 100 milliliters or not more than 15 milligrams per dosage unit, with a fourfold or greater quantity of an isoquinoline alkaloid of opium;

(d) Not more than 300 milligrams of dihydrocodeinone, or any of its salts, per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(e) Not more than 1.8 grams of dihydrocodeine, or any of its salts, per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(f) Not more than 300 milligrams of ethylmorphine, or any of its salts per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more ingredients in recognized therapeutic amounts;

(g) Not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(h) Not more than 50 milligrams of morphine, or any of its salts, per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(i) The department for human resources may except by regulation any compound, mixture, or preparation containing any stimulant or depressant substance listed in subsection (1) from the application of all or any part of this chapter if the compound, mixture, or preparation contains one or more active medicinal ingredients not having a stimulant or depressant effect on the central nervous system, and if the admixtures are included therein in combinations, quantity, proportion, or concentration that vitiate the potential for abuse of the substances which have a stimulant or depressant effect on the central nervous system.

Section 3. KRS 218A.990 is amended to read as follows:

(1) Any person who knowingly and unlawfully traffics in or transfers a controlled substance classified in Schedules I or II which is a narcotic drug shall, for the first offense, be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than ten (10) years nor more than twenty (20) years or be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000), or both.

(2) *(a)* Any person who knowingly and unlawfully traffics in a controlled substance classified in Schedules I or II other than a narcotic drug, except marijuana, *lysergic acid diethylamide or phencyclidine,* or in any controlled substance classified in Schedule III shall, for the first offense, be confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than five (5) nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(b) Any person who knowingly and unlawfully manufacturers, sells, or possesses with intent to sell lysergic acid diethylamide or phencyclidine shall, for the first offense, be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than ten (10) years nor more than twenty (20) years or be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000), or both.

(3) Any person who knowingly and unlawfully traffics in any controlled substance classified in Schedules IV or V or transfers any controlled substance other than a narcotic drug except marijuana, classified in Schedules I, II, or III shall, for the first offense, be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both, and for each subsequent offense shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(4) Any person who knowingly and unlawfully manufactures, sells, or possesses with intent to sell marijuana shall, for the first offense, be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both, and for each subsequent offense shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(5) Any person who knowingly and unlawfully possesses a controlled substance classified in Schedules I or II which is a narcotic drug shall be, for the first offense, confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both and for each subsequent offense shall be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(6) Except as otherwise provided in this subsection, any person who knowingly and unlawfully possesses any controlled substance classified in Schedules I, II, or III which is not a narcotic drug, except marijuana, or of any controlled substance classified in Schedules IV, or V, shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(a) Any person found guilty of possession of any controlled substance pursuant to this subsection shall for a first offense, be ordered to a facility designated by the secretary for human resources where a program of treatment and rehabilitation not to exceed one year in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If, without good cause, the person fails to appear at the designated facility within the specified time, or if at any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than one (1) year or a fine of not more than five hundred dollars ($500), or both. Upon discharge of the person from the facility by the secretary for human resources or his designee prior to the expiration of the one-year period or upon satisfactory completion of one (1) year of treatment, the person shall be deemed finally discharged from sentence. The secretary or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which such person is sentenced.

(c) Transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary for human resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment of patients and others for services rendered by the department for human resources unless the person and the facility shall arrange otherwise.

(g) Any person found guilty of a subsequent offense of possession of controlled substances in violation of subsection (6) of this section shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(h) Prior to the imposition of sentence upon conviction of a second or subsequent offense, the court shall obtain a report of case progress and recommendations regarding further treatment from the facility at which the person was treated following his first conviction. If such material is not available, the court shall notify the secretary for human resources, and the secretary shall cause the person to be examined by a psychiatrist employed by the department to evaluate his mental condition and to make recommendations regarding treatment and rehabilitation. The psychiatrist making the examination shall submit a written report of his findings and recommendations regarding treatment and rehabilitation to the court which shall make the report available to the prosecuting attorney and the attorney for the defendant. The court shall take such reports into consideration in determining sentence. The secretary may decline to cause such examination to be made if the number of psychiatrists on duty in the department is insufficient to spare one from his regular duties or if no such service may be purchased at regular departmental rates, in such event the secretary shall notify the clerk of the court to that effect within three (3) days after receipt of notification by the court.

(i) For purposes of this section, an offense is considered a second or subsequent offense, if, prior to his conviction of the offense, the offender has at any time been convicted under this chapter or under any statute of the United States or of any state relating to the substances classified as controlled substances.

(j) None of the provisions of this subsection shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(k) In the case of any person who has been convicted for the first time of possession of controlled substances, the court may set aside and void the conviction upon satisfactory completion of treatment, probation or other sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime. Voiding of conviction under this subsection and dismissal may occur only once with respect to any person.

(7) Any person who knowingly and unlawfully possesses for his own use or transfers marijuana shall be confined in the county jail for not more than ninety (90) days or be fined not more than two hundred fifty dollars ($250).

(a) Any person found guilty of violating subsection (7) above may be ordered to a facility designated by the secretary for human resources where a program of education, treatment, and rehabilitation not to exceed ninety (90) days in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If without good cause, the person fails to appear at the designated facility within the specified time, or if any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than ninety (90) days or a fine of not more than two hundred fifty dollars ($250) or both. Upon discharge of the person from the facility by the secretary for human resources or his designee prior to the expiration of the ninety-day period or upon satisfactory completion of ninety (90) days of treatment, the person shall be deemed finally discharged from sentence. The secretary or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which a person sentenced by that court under this chapter shall be initially ordered.

(c) In the case of a person ordered to a facility for treatment and rehabilitation pursuant to this chapter, transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five (5) days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary for human resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment by patients and others for services rendered by the department for human resources unless the person and the facility shall arrange otherwise.

(g) None of the provisions of this chapter shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(h) In the case of any person who has been convicted of possession of marijuana, the court may set aside and void the conviction upon satisfactory completion of treatment, probation or other sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime.

(8) Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules I, II, or III shall be guilty of a felony and shall be punished by confinement in the penitentiary for not less than one (1) year nor more than five (5) years, or by a fine of not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(9) Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules IV or V shall be guilty of a felony and shall be punished by not less than one (1) year nor more than three (3) years imprisonment, or by a fine of not less than one thousand dollars ($1,000) nor more than three thousand dollars ($3,000), or both.

(10) Any person who violates subsection (6) of KRS 218A.140 or who violates any other provision of this chapter, for which a specific penalty is not otherwise provided, shall be guilty of a misdemeanor and shall upon conviction be imprisoned for not more than ninety (90) days or fined not more than five hundred dollars ($500), or both.

HB 370, AN ACT relating to limitations of actions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

As used in this Act "professional services" means any service rendered in a profession required to be licensed, administered and regulated as professions in the Commonwealth of Kentucky, except those professions governed by KRS 413.140.

SECTION 2. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other prescribed limitation of actions which might otherwise appear applicable, except those provided in KRS 413.140, a civil action, whether brought in tort or contract, arising out of any act or omission in rendering, or failing to render, professional services for others shall be brought within one (1) year from the date of the occurrence or from the date when the cause of action was, or reasonably should have been, discovered by the party injured. Time shall not commence against a party under legal disability until removal of the disability.

HB 415, AN ACT relating to reparation for property stolen or damaged.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 431.200 is amended to read as follows:

Any person convicted of a *misdemeanor or* felony for taking, injuring or destroying property shall restore the property or make reparation in damages. The court in which the conviction is had, if applied to by verified petition made within ninety (90) days of the date the sentence was pronounced, may order restitution or give judgment against the convict for reparation in damages, and enforce collection by execution or other process. In motions for restitution or reparation, the court shall cause the prisoner to be brought into court, and demand of him if he has any defense to make to the motion. If he consents to the restitution or to reparation in damages in an agreed sum, the court shall give judgment accordingly. Otherwise a jury shall be impaneled to try the facts and ascertain the amount and the value of the property, or assess the damage, as the case may be. A failure to pursue this remedy shall not deprive the person aggrieved of his civil action for the injury sustained. The person injured shall have a lien on the estate of the criminal from the time of his arrest.

HB 418, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 533.060 is amended to read as follows:

(1) When a person has been convicted of an offense or has entered a plea of guilty to an offense classified as a Class A, B, *C,* or *D* [C] felony and the commission of such offense involved the use of a weapon from which a shot or projectile may be discharged that is readily capable of producing death or other serious physical injury, such person shall not be eligible for probation, shock probation or conditional discharge, *nor shall he be eligible for parole until he has served the minimum term provided by statute for the class of felony for which he stands convicted.*

(2) When a person has been convicted of a felony and is committed to a correctional facility maintained by the bureau of corrections and released on parole or has been released by the court on probation, shock probation, or conditional discharge, and is convicted or enters a plea of guilty to a felony committed while on parole, probation, shock probation, or conditional discharge, such person shall not be eligible for probation, shock probation, or conditional discharge and the period of confinement for that felony shall not run concurrently with any other sentence.

(3) When a person commits an offense while awaiting trial for another offense, and is subsequently convicted or enters a plea of guilty to the offense committed while awaiting trial, the sentence imposed for the offense committed while awaiting trial shall not run concurrently with confinement for the offense for which said person is awaiting trial.

HB 504, AN ACT relating to landlords and tenants.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 383.535 is amended to read as follows:

Unless created to avoid the application of KRS 383.505 to 383.715, the following arrangements are not governed by KRS 383.505 to 383.715:

(1) Residence at an institution, public or private, if incidental to detention or the provision of medical, geriatric, educational counseling, religious, or similar service.

(2) Occupancy under a contract of sale of a dwelling unit or the property of which it is a part, if the occupant is the purchaser or a person who succeeds to his interest.

(3) Occupancy by a member of a fraternal or social organization in the portion of a structure operated for the benefit of the organization.

(4) Transient occupancy in a hotel, or motel, or lodgings subject to state transient lodgings or room occupancy excise tax act.

(5) Occupancy by an employe of a landlord whose right to occupancy is conditional upon employment in and about the premises.

(6) Occupancy by an owner of a condominium unit or a holder of a proprietary lease in a cooperative.

(7) Occupancy under a rental agreement covering premises used by the occupant primarily for agricultural purposes.

(8) Occupancy under a rental agreement covering any dwelling unit situated on agricultural property.

Section 2. KRS 383.715 is amended to read as follows:

(1) The provisions of KRS 383.505 to 383.715 shall apply only to counties containing cities of the first class, *counties containing cities of the second class* and urban-county governments.

(2) KRS 383.505 to 383.715 shall be known and may be cited as the "Uniform Residential Landlord and Tenant Act."

Section 3. KRS 383.530, Territorial Application, is repealed.

The Committee Amendment to **HB 504** is as follows:

Amend printed copy of **HB 504,** on page 2, line 13, by deleting the following: "*. Counties containing cities of the second class*" and on line 14, by inserting the following after "governments" and before the period: "*; provided however, that neither this section nor any other section of KRS shall prohibit any city of the second class within the Commonwealth from adopting this Act, or any of its provisions, by local ordinance*"

HB 505, AN ACT relating to trial commissioners of the district court and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 24A.100 is amended to read as follows:

(1) In any county which does not have a district judge resident in the county there shall be a trial commissioner.

(2) Trial commissioners shall be appointed in the manner required by Section 113 of the Constitution of Kentucky and shall perform such duties as may be directed by the Supreme Court.

(3) Trial commissioners in district court shall be compensated as provided in the judicial personnel system[, provided, however that no trial commissioner shall be compensated at a rate greater than $7,200 per year].

Section 2. For purposes of funding, there is appropriated to the court of justice, out of the general expenditure fund in the state treasury, for the fiscal years 1980-81 and 1981-82 the following respective amounts: 1980-81, eight thousand two hundred and eighty dollars ($8,280); 1981-82, twenty-one thousand seven hundred and fifty-nine dollars ($21,759).

The Committee on Transportation reported **HB 46** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 46, AN ACT relating to highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

(1) The district highway engineer may prioritize work to be completed by maintenance contract within his assigned highway district. Any person having two (2) or more maintenance contracts in a single highway district shall be subject to the priorities established by the district highway engineer.

(2) If the district highway engineer establishes a priority schedule it shall be based on

(a) determination of highway maintenance needs; and

(b) requirements for contract completion on projects before the contract shall be subject to payment of liquidated damages.

(3) The district highway engineer shall not establish a priority schedule which will knowingly subject a contractor to payment of liquidated damages.

The Committee on Energy reported **HB 316, HB 392** with Committee Amendment attached thereto, **HR 29, HR 60, HCR 42,** and **HCR 57** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 316, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 514.060 is amended to read as follows:

(1) A person is guilty of theft of services when:

(a) He intentionally obtains services by deception or threat or by false token or other means to avoid payment for the services which he knows are available only for compensation; or

(b) Having control over the services of others to which he is not entitled, he intentionally diverts such services to his own benefit or the benefit of another not entitled thereto.

(2) Where compensation for services is ordinarily paid immediately upon the rendering of such services, as in the case of hotels and restaurants, refusal to pay or absconding without payment or offer to pay shall be prima facie evidence that the services were obtained by deception as to intention to pay.

(3) *In any prosecution for theft of gas, water, electricity or other public service, where the utility supplying the service had installed a meter or other device to record the amount of service supplied, proof that:*

(a) The meter or other device had been altered, tampered with, or bypassed in such manner as to prevent or reduce the recording thereof; or

(b) Service has been, after having been disconnected by the utility supplying service, reconnected without authorization of such utility,

shall be prima facie evidence of the intent to commit theft of service by the person or persons obligated to pay for service supplied through such meter or other device.

(4) Theft of services is a Class A misdemeanor unless the value of the service is $100 or more, in which case it is a Class D felony.

HB 392, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 514 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of possession, use, or transfer for use of a device for theft of services when he:

(a) Makes or possesses any instrument, apparatus, equipment or device designed, adapted for or used for commission of a theft of services in violation of KRS 514.060; or

(b) Sells, gives, transports, or otherwise transfers to another, or offers or advertises to sell, give, or otherwise transfer any instrument, apparatus, equipment or device described in paragraph (a) of this subsection, or plans or instructions for making or assembling the same under circumstances evincing an intent to use or employ such instrument, apparatus, equipment, or device, or to allow the same to be used or employed, for a purpose described in paragraph (a) of this subsection, or knowing or having reason to believe that the same is intended to be so used, or that the aforesaid plans or instructions are intended to be used for making or assembling such instrument, apparatus, equipment, or device.

(2) Possession, use, or transfer for use of a device for theft of services is a Class A misdemeanor unless the defendant has previously been convicted of violating this section, in which case it is a Class D felony.

The Committee Amendment to **HB 392** is as follows:

Amend printed copy of **HB 392,** page 1, on line 3, after "(1)" by inserting a new section (1) as follows:

"As used in this section, "telephone service" means any communication service ordinarily provided by a telephone utility for compensation, including but not limited to the transmission of voice, data, pictures or signals of all kinds, but excluding cable television services, even if provided by a telephone utility."

And on page 1, line 3, by adding "(2)" before the words "A Person"; and

On page 1, line 4, by inserting after the words "theft of" the word "telephone"; and

On page 1, line 8, by inserting after the words "theft of" the word "telephone"; and

On page 2, line 2, by inserting "(3)" in lieu of the number "(2)"; and

On page 2, line 3, by inserting after the words "theft of" the word "telephone"

HR 29, A RESOLUTION requesting the Governor of the Commonwealth of Kentucky, and the Secretary of the Kentucky Department of Energy, to urge the United States Department of Energy to study the feasibility of converting Kentucky distilleries not presently in operation to ethanol production, for eventual use in the distillation of gasohol.

WHEREAS, as a result of the recent grain embargo by President Carter, there is currently an excess supply of grain; and

WHEREAS, distillers in Kentucky are currently operating at levels below capacity and are in some instances out of operation; and

WHEREAS, the nation's farmers see gasohol as a way to put surplus grain, and perhaps even fallow land, into productive use; and

WHEREAS, the development of an ethanol alcohol distilling industry would provide employment for Commonwealth citizens; and

WHEREAS, there is a need for a large scale, short range experiment to determine the feasibility of long range continuous production of gasohol; and

WHEREAS, Kentucky coal can be utilized in the production of gasohol and this use would increase the demand for Kentucky coal;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Governor of the Commonwealth of Kentucky and the Kentucky Department of Energy are requested to urge the United States Department of Energy to study the feasibility of converting Kentucky distilleries not presently in operation to ethanol production, for eventual use in the distillation of gasohol.

Section 2. That the Clerk of the House of Representatives deliver a copy of this resolution to the Honorable John Y. Brown, Jr., Governor of the Commonwealth of Kentucky, the Honorable William Sturgill, Secretary of the Kentucky Department of Energy, and to Kentucky's Congressional Delegation, and to the Honorable Jimmy Carter, President of the United States of America.

HR 60, A RESOLUTION commending Alfred Kahn for his address on inflation and deregulation to the Kentucky General Assembly.

WHEREAS, Alfred Kahn forcefully presented the need for government deregulation and the balancing of the budget; and

WHEREAS, the government's over-printing of dollars above the production level of the nation needs to be stopped for the purpose of halting inflation; and

WHEREAS, Alfred Kahn has called for a halt to the over-spending by government; and

WHEREAS, the House of Representatives realizes that the private enterprise system has been over-regulated and has had too many unwarranted interferences; and

WHEREAS, government should promote more competition among businesses;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Alfred Kahn is hereby commended for his address on inflation and deregulation to the Kentucky General Assembly on February 11, 1980.

Section 2. That this body appreciates Alfred Kahn's recognition that, under the guidance of Governor Julian Carroll, Kentucky has reduced paper work in state government.

Section 3. That Alfred Kahn is commended for the efforts he is making to fight inflation, which is spiraling from so many directions.

Section 4. That it is the sincere desire of this body that many of the problems of inflation can be reduced through the work of Alfred Kahn.

Section 5. That the Clerk is directed to forward a copy of this resolution to Alfred Kahn, Kentucky's congressional delegation and the President of the United States.

HCR 42, A CONCURRENT RESOLUTION directing the formation of a special solar energy advisory committee to determine the potential for the use of solar and other renewable energy resources in the Commonwealth.

WHEREAS, the nation continues to face a serious energy crisis, and a dangerous dependence on other countries which supply us with oil; and

WHEREAS, this crisis and this dependence need not continue if we take steps now to develop and utilize our abundant domestic energy resources; and

WHEREAS, Kentucky's coal is a tremendous asset to the state and the nation, and yet an energy policy focused exclusively on coal may be unwise in the long run if it ignores other energy resources which also could contribute to the future prosperity of the state; and

WHEREAS, solar energy in its many forms may, if properly developed, play a significant role in Kentucky and should be given fair and careful consideration;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission is directed to appoint a Special Solar Energy Advisory Committee to determine the potential for use of solar and other renewable energy resources in the Commonwealth. Two (2) members shall be appointed from the Senate and two (2) member shall be appointed from the House of Representatives to serve on the committee. In addition, the Legislative Research Commission shall appoint to the committee members recognized as experts in areas related to solar energy issues, members of environmental, consumer, business and industrial groups, but in no case shall total membership exceed fifteen (15) members. The committee shall choose a chairperson and vice-chairperson from the legislators serving on the committee.

Section 2. The committee shall assume an oversight role on behalf of the General Assembly on all matters pertaining to the development of solar and renewable energy sources during the 1980-82 interim. The committee shall meet at least quarterly and more often on the call of the chairperson.

Section 3. The committee shall develop a plan for the development of solar and renewable energy in Kentucky and shall develop legislative proposals and recommendations for submission to the General Assembly. The committee shall assess the short and medium range potential for solar energy, and the employment potential of solar development in the state during the next five (5) to ten (10) years. The committee shall report its findings and recommendations to the 1982 General Assembly, and shall submit a report to the Legislative Research Commission on or before September, 1981.

Section 4. It is estimated that the operation of the committee and the provision of staff services will cost approximately $20,000, such monies to be provided from the regular budget of the Legislative Research Commission.

HCR 57, A CONCURRENT RESOLUTION requesting assistance from the federal government in the decommissioning of a nuclear waste disposal site.

WHEREAS, the Commonwealth of Kentucky had a nuclear waste disposal site in operation for the commercial disposal of low level radioactive waste from 1963 through 1977; and

WHEREAS, the Kentucky nuclear waste disposal site received more than ninety-nine percent (99%) of radioactive waste buried therein from outside the Commonwealth, thereby providing a needed service to the nation as a whole; an

WHEREAS, radiological monitoring has shown evidence of radioisotope migration from the site, and other studies have indicated serious hydrological problems, creating doubts as to its long term safety and integrity, which required the premature closure of the site; and

WHEREAS, because of these unanticipated problems, the premature closure resulted in an inadequate collection of funds for the perpetual care and maintenance of the site, a collected amount of less than three hundred thousand dollars ($300,000); and

WHEREAS, the monitoring and regulation of the site has cost the Commonwealth of Kentucky hundreds of thousands of dollars during its commercial operation, and millions of dollars in the procurement of the commercial lease and initiation of stabilization procedures; and

WHEREAS, the Kentucky site will be the first commercial low level nuclear disposal site to be decommissioned in the United States, therefore establishing invaluable information for future decommissioning of similar sites; and

WHEREAS, the full decommissioning of the Kentucky nuclear disposal site is estimated to cost several additional millions of dollars; and

WHEREAS, the acceptability by society of future nuclear disposal sites in the United States may be based to a large extent on the successful demonstration of decommissioning of past nuclear disposal sites;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the United States Department of Energy and the United States Nuclear Regulatory Commission are requested and petitioned by the General Assembly of Kentucky to provide this Commonwealth both technical and financial assistance in the final decommissioning of the nuclear waste disposal site located in Fleming County, Kentucky.

Section 2. That the United States Department of Energy and the United States Nuclear Regulatory Commission are requested to draft any needed legislation which may be required to allow either agency to provide technical and financial assistance to the Commonwealth, and that such draft legislation be transmitted to the Kentucky congressional delegation.

Section 3. That the Kentucky congressional delegation is requested to introduce and support any legislation required to allow federal agencies to provide technical and financial assistance to the Commonwealth in the final decommissioning of the nuclear disposal site.

Section 4. That copies of this resolution be submitted to the following:

1. The office of the President of the United States;
2. The secretary of the United States Department of Energy;
3. The chairman of the United States Nuclear Regulatory Commission; and
4. The Kentucky congressional delegation.

Orders of the Day

HJR 5 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved that **HJR 5** be laid on the Clerk's desk.

The motion that **HJR 5** be laid on the Clerk's desk was adopted by voice vote.

Representative B. Richardson moved that the rules be suspended to take **HB 412** from the Clerk's desk and place it in Orders of the Day. Agreed.

HB 412 placed in Orders of the Day.

HB 41, as amended by Floor Amendment No. 2 and Floor Amendment No. 3, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Little moved the adoption of the Floor Amendment No. 4 to **HB 41.** Agreed.

Representative Little moved that **HB 41,** as amended, be passed.

On the roll call the vote was yeas 40-Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Bruce, Cawood, Clarke, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Gray, Guenthner, Heleringer, Hines, Kenton, Kidd, Little, Mann, May, Maynard, McKinney, Morris, Nett, Noe, Rapier, B. Richardson, Romines, Stumbo, Weinberg, White, Wilborn, Williams, Worthington. Nays 50-Adams, Allen, Arnold, Blair, Blythe, Brinkley, Burnette, Caldwell, Clapp, Clark, Craddock, Davenport, DeMarcus, Ellington, Farrow, Foster, Fryman, Haering, Hancock, Head, Holbrook, Holloway, Johnson, Jones, Layman, LeMaster, List, McBee, McNutt, Moberly, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rattliff, Richards, P. Richardson, Riner, Robinson, Sale, Schmidt, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Wright.

HB 41, as amended, was defeated.

Representative B. Richardson moved that the vote by which **HB 41,** as amended, was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

HB 127, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Committee Amendment No. 1 to **HB 127.** Agreed.

Representative Bendl moved that **HB 127,** as amended be passed.

Representative Riner moved that **HB 127,** as amended, be laid on the Clerk's desk.

On the roll call the vote was yeas 42-Allen, Arnold, Blair, Brown, Bruce, Burnette, Caldwell, Clapp, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Ellington, Farrow, Fryman, Hancock, Head, Holbrook, Holloway, Johnson, Jones, Little, May, Maynard, McBee, McKinney, Moberly, Morris, Overstreet, Plummer, Rapier, Rattliff, Riner, Robinson, Schmidt, Stumbo, Thomason, Turner, Wright. Nays 45-Adams, Barrows, Bendl, Bennett, Blythe, Boswell, Bronger, Cawood, Clark, DeFalaise, Donnermeyer, Dunn, Foster, Gray, Guenthner, Haering, Heleringer, Hines, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Mann, McNutt, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Richards, B. Richardson, Romines, Sale, Stone, Thomas, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington.

The motion that **HB 127,** as amended, be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 37-Barrows, Bendl, Bennett, Blythe, Brinkley, Caldwell, Cawood, Cyrus, DeFalaise, Donnermeyer, Dunn, Foster, Gray, Haering, Hancock, Heleringer, Hines, Kenton, Kidd, LeMaster, Lundergan, Mann, McNutt, Nett, Noe, Petty, Priddy, B. Richardson, Romines, Sale, Stumbo, Thomas, Tobin, Van Horn, White, Wilborn, Williams. Nays 44-Adams, Allen, Blair, Blandford, Boswell, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Crupper, Curd, Davenport, DeMarcus, Deskins, Ellington, Farrow, Fryman, Guenthner, Head, Holloway, Johnson, Jones, List, Little, May, McBee, McKinney, Moberly, Morris, O'Brien, Overstreet, Pearman, Plummer, Rapier, Rattliff, Richards, Riner, Robinson, Thomason, Turner, Weinberg, Wright.

The motion that **HB 127,** as amended, was defeated.

Representative B. Richardson moved that the vote by which **HB 127,** as amended, was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

HB 412, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hines moved the adoption of the Floor Amendment No. 1 to **HB 412.** Agreed.

Representative Hines moved that **HB 412,** as amended, be passed.

On the roll call the vote was yeas 81-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holloway, Johnson, Jones, Kenton, Kidd, Little, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 3-Holbrook, LeMaster, Robinson.

HB 412, as amended, was passed and the title agreed to.

Representative Hines moved that the vote by which **HB 412,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 13 taken from Orders of the Day and ordered read at length for third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved that **SB 13** be passed.

On the roll call the vote was yeas 68-Adams, Allen, Arnold, Bendl, Blair, Blythe, Brown, Burch, Burnette, Caldwell, Clapp, Clarke, Craddock, Crupper, Curd, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Jones, Kenton, Layman, LeMaster, List, Lundergan, Mann, May, Maynard, McBee, McKinney, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stumbo, Thomason, Tobin, Turner, White, Williams, Worthington, Wright, Yates. Nays 18-Barrows, Bennett, Brinkley, Bronger, Bruce, Cawood, Clark, Cyrus, Deskins, Gray, Little, Moberly, Morris, Overstreet, Stone, Van Horn, Weinberg, Wilborn.

SB 13 was passed and the title agreed to.

Representative Farrow moved that the vote by which **SB 13** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 204, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved the adoption of the Floor Amendment No. 2 to **HB 204.** Agreed.

Representative Pearman moved that **HB 204,** as amended, be passed.

On the roll call the vote was yeas 74-Allen, Arnold, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Bronger, Brown, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Kenton, Kidd, Layman, LeMaster, Little, Lundergan, Mann, May, Maynard, McBee, Morris, Nett, Noe, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Thomason, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 7-Adams, Barrows, List, McNutt, Moberly, Stumbo, Tobin.

HB 204, as amended, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 204,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 265, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cawood moved the adoption of the Floor Amendment No. 1 to **HB 265.** Agreed.

Representative Donnermeyer moved that **HB 265** be laid on the Clerk's desk.

On the roll call the vote was yeas 47-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clark, Clarke, Craddock, Curd, DeFalaise, Donnermeyer, Ellington, Farrow, Foster, Gray, Guenthner, Haering, Hancock, Head, Holbrook, Holloway, Johnson, Jones, LeMaster, List, Moberly, Nett, Noe, Pearman, Petty, Rapier, P. Richardson, Riner, Stumbo, Thomason, Tobin, Turner, Wilborn, Yates. Nays 39-Allen, Blythe, Bruce, Burnette, Cawood, Clapp, Crupper, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Dunn, Fryman, Heleringer, Hines, Kenton, Kidd, Layman, Little, Mann, May, McBee, McKinney, McNutt, Overstreet, Plummer, Priddy, Rattliff, B. Richardson, Robinson, Romines, Schmidt, Stone, Van Horn, Weinberg, White, Williams, Wright.

The motion the **HB 265** be laid on the Clerk's desk was adopted.

HB 352 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved that **HB 352** be passed.

On the roll call the vote was yeas 34-Bennett, Blandford, Boswell, Brinkley, Brown, Burnette, Cawood, Clapp, Craddock, Davenport, Dawahare, DeMarcus, Donnermeyer, Hancock, Johnson, Kidd, Little, May, McBee, Nett, Noe, Pearman, Petty, Rapier, Rattliff, P. Richardson, Riner, Robinson, Romines, Stone, Tobin, Van Horn, Wilborn, Yates. Nays 49-Adams, Allen, Arnold, Bendl, Blair, Blythe, Bronger, Caldwell, Clark, Clarke, Crupper, Curd, DeFalaise, Deskins, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Holbrook, Holloway, Jones, Kenton, Layman, LeMaster, List, Lundergan, Mann, McKinney, McNutt, Moberly, Morris, Overstreet, Plummer, Priddy, B. Richardson, Sale, Schmidt, Stumbo, Thomason, Turner, Weinberg, White, Wright.

HB 352 was defeated.

Representative B. Richardson moved that the vote by which **HB 352** was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 14, SB 172, HB 111,** and **HB 135.**

Orders of the Day (continued)

HB 375 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved that **HB 375** be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 2-DeMarcus, Jones.

HB 375 was passed and the title agreed to.

Representative Van Horn moved that the vote by which **HB 375** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 376 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved that **HB 376** be passed.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Guenthner, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, Layman, LeMaster, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 7-DeFalaise, DeMarcus, Ellington, Hancock, Jones, List, McNutt.

HB 376 was passed and the title agreed to.

Representative Van Horn moved that the vote by which **HB 376** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 397 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved that **HB 397** be passed.

On the roll call the vote was yeas 52-Allen, Arnold, Bendl, Blair, Blythe, Brinkley, Brown, Burnette, Caldwell, Clapp, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Foster, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Jones, Kidd, Layman, LeMaster, Lundergan, McKinney, Nett, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Stone, Thomason, Turner, Van Horn. Nays 31-Adams, Barrows, Boswell, Bronger, Bruce, Cawood, Clark, Clarke, DeFalaise, Deskins, Dunn, Ellington, Farrow, Fryman, Kenton, List, Little, McBee, Moberly, Morris, Noe, Petty, B. Richardson, Riner, Stumbo, Thomas, Tobin, Weinberg, White, Wilborn, Williams.

HB 397 was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 397** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 62, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of the Committee Amendment No. 1 to **SB 62.** Agreed.

Representative Arnold moved the adoption of the Floor Amendment No. 1 to **SB 62.** Agreed.

Representative Arnold moved that **SB 62,** as amended, be passed.

On the roll call the vote was yeas 76-Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lundergan, Mann, May, McBee, McNutt, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 11-Adams, Allen, Barrows, Brown, Crupper, Cyrus, Gray, Guenthner, Little, McKinney, Moberly.

SB 62, as amended, was passed and the title agreed to.

Representative Arnold moved that the vote by which **SB 62,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 99, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **SB 99** be passed.

On the roll call the vote was yeas 83-Adams, Arnold, Barrows, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 3-Allen, Guenthner, Riner.

SB 99 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **SB 99** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 385 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 385** be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 385 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 385** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Speaker Pro Tempore Hancock presiding.

Motions, Petitions and Communications

The Clerk announced the filing of the following Floor Amendments to Bills:

Floor Amendment No. 2 to **HB 462,** by Representative B. Richardson, is as follows:

Amend printed copy of **HB 462,** on page 9, line 10, by deleting ", inclusive, and either:", and inserting in lieu thereof "under one of the following methods in lieu of fee simple ownership:".

Floor Amendment No. 3 to **HB 462** by Representative Blandford, is as follows:

Amend printed copy of **HB 462,** one page 7, line 24, by deleting the word "*inclusive*" and inserting in lieu thereof, "*excluding condemnation powers under KRS 103.245*"; and

on page 11, line 19, by adding the following:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 103 IS CREATED TO READ AS FOLLOWS:

Nothing in this Act confers nor shall be deemed to confer the power of eminent domain."

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 659, by Representative Williams: AN ACT relating to handicapped persons.

HB 660, by Representative DeFalaise: AN ACT relating to immunity from prosecution.

HB 661, by Representative DeFalaise: AN ACT relating to body cavity searches.

HB 662, by Representatives Lundergan, Deskins, Farrow, Plummer, Caldwell, Stumbo, and Arnold: AN ACT relating to the commercial production of earthworms.

HB 663, by Representative Thomas: AN ACT relating to harness racing.

HB 664, Representative B. Richardson: AN ACT relating to credit unions.

HB 665, by Representative O'Brien: AN ACT proposing an amendment to the Constitution of Kentucky relating to counties.

HR 74, by Representative Adams and List: A RESOLUTION directing the Department for Human Resources to file suit against the Department of Health, Education, and Welfare.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration.

Elections and Constitutional Amendments: **HB 529, HB 313, HB 428, HB 425, HB 345.**

Appropriations and Revenue: **HB 193, HB 522, HB 576, HB 539, HB 209.**

Health and Welfare: **HB 600.**

Labor and Industry: **HB 623, HB 532.**

Report of Committees

The Committee on Cities reported **HB 20** with Committee Substitute attached thereto, **HB 432,** and **HB 319** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 20, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

The boundaries of cities shall remain as established by law until changed as provided in KRS Chapter 81. The legislative body of any city may annex any unincorporated territory or reduce the boundaries of the city under the provisions of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

Any city exercising authority under Section 1 of this Act shall make plans for the extension of services to the area proposed to be annexed and shall, prior to the public hearings provided for in Section 5 of this Act, prepare a report setting forth such plans. The report shall include:

(1) A map of the city and adjacent territory to show the following information:

(a) The present and proposed boundaries of the city;

(b) The present streets, major trunk water mains, sewer interceptors and outfalls as well as other utility lines;

(c) The present areas receiving, or able to receive, major city services, and the proposed extension of such services to other areas; and

(d) The prevailing general land use patterns existing in the area to be annexed.

(2) A statement showing that the area to be annexed meets the requirements of Section 3 of this Act.

(3) A statement setting forth the plans of the city for extending to the area to be annexed each major city service owned by the city or subsidized through city tax revenues and performed within the city at the time of annexation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) A city legislative body may extend the city's boundaries to include any area:

(a) Which is adjacent or contiguous to the city's boundaries at the time the annexation proceeding is begun; and

(b) Which by reason of population density, commercial, industrial, institutional or governmental use of land, or subdivision of land, is urban in character or suitable for development for urban purposes without unreasonable delay.

(2) No part of the area to be annexed shall be included within the boundary of another incorporated city, except as provided by law, but may be included within the boundary of another county.

(3) If a city is considering the annexation of two (2) or more areas which are all adjacent to the city boundary but are not adjacent to one another, it may undertake simultaneous proceedings under authority of Section 1 of this Act for the annexation of such areas.

SECTION 4. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) Any city legislative body desiring to annex territory shall first pass an ordinance stating the intent of the city to consider annexation. The ordinance shall also specify the following:

(a) A summary of the report which is required by Section 2 of this Act;

(b) A statement setting forth its findings that the area meets the standards of Section 3 of this Act;

(c) The date, time and place for public hearings on the question of annexation, the date to be not less than thirty (30) days nor more than sixty (60) days following the passage of the ordinance; and

(d) A statement that the report required in Section 2 of this Act will be available for inspection at least thirty (30) days prior to the date of the public hearing and where it will be available.

SECTION 5. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) At least two (2) public hearings shall be held on the proposed annexation after the passage of an ordinance pursuant to Section 4 of this Act. Additional hearings may be held. Notice of such hearings shall be published in accordance with KRS Chapter 424.

(2) Any hearing held pursuant to this section shall provide an opportunity to be heard to all persons residing or owning property in the area described in the notice of the public hearing, and to all residents of the city.

(3) At the public hearings, a representative of the city shall make an explanation of the report required in Section 2 of this Act. Such explanation shall be as detailed as necessary so as to convey an accurate and definitive report.

(4) The city legislative body shall take into consideration facts presented at the public hearings and shall have authority to amend the report required by Section 2 of this Act and to make changes in the plans for serving the area proposed to be annexed so long as such changes meet the requirements of Section 3 of this Act. If any amendment or change is approved by the city legislative body, another hearing shall be held to provide any person residing or owning property in the area to be annexed or any resident of the city an opportunity to be heard on the amendment or amendments. Such hearing shall be held not later than thirty (30) days after the city legislative body approves the amendment. Notice of such hearing shall be published in accordance with KRS Chapter 424.

SECTION 6. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) At any meeting of the city legislative body which occurs not sooner than thirty (30) days nor later than sixty (60) days following the last public hearing, the city legislative body may adopt an ordinance extending the corporate limits of the city to include all, or part, of the area described in the notice of the public hearing or, if there has been any amendment to such description, that described in the amendment. The area described shall meet the requirements of Section 3 of this Act. Except in cities of the first class, any such ordinance shall be adopted by a two-thirds vote of the legislative body. The ordinance shall:

(a) Contain a statement of the intent of the city to provide services to the area being annexed as set forth in the report required by Section 2 of this Act.

(b) Contain specific findings showing that the area to be annexed meets the requirements of Section 3 of this Act. The external boundaries of the area to be annexed shall be described by metes and bounds. The city legislative body may also refer to the boundaries set forth on a map of the area and incorporate the same by reference as a part of the ordinance;

(c) Contain a specific finding that on the effective date of annexation the city will have the means to provide by assessment, appropriation or otherwise for the services as specified in Section 2 of this Act;

(d) Contain a statement specifying the city tax rates that will be levied for the next tax year upon the affected residents and property which is to be annexed;

(e) Fix the effective date of annexation. The effective date of annexation may be fixed for any date within twelve (12) months from the date of passage of the ordinance except within the first sixty (60) days; and

(f) The ordinance of annexation shall be published in accordance with the provisions of KRS Chapter 424.

(2) From and after the effective date of the annexation ordinance, the territory in the affected area and its residents and property shall be subject to all laws, ordinances and regulations in force in such city and shall be entitled to the same privileges and benefits as other parts of such city.

SECTION 7. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) If following the publication of an annexation ordinance under authority of Section 6 of this Act and within sixty (60) days thereof, twenty-five percent (25%) of the resident voters or owners of real property within the limits of the territory proposed to be annexed petition the mayor in opposition of the proposal, an election shall be held at the next regular election.

(2) The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, or if such territory is located in more than one (1) county, to the county clerks of such counties, who shall have printed on the ballot provided for use in each precinct embraced in whole or in part within the territory proposed to be annexed the question: "Are you in favor of being annexed to the City of ________________?" If only a part of any precinct is embraced within the territory proposed to be annexed only persons who reside within the territory proposed to be annexed shall be permitted to vote. The clerk shall cause the sheriff or sheriffs to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex.

(3) If one-half (½) or more of those voting on the proposition vote in favor of annexation, such territory shall become a part of the city.

(4) If less than one-half (½) of those voting on the proposition vote in favor of annexation, the ordinance proposing annexation shall become ineffectual for any purpose.

SECTION 8. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) A city may reduce its boundaries by ordinance in accordance with this section.

(2) Area may be excluded from a city by a reduction of boundaries only if:

(a) The area does not need urban governmental services, or it can better obtain those services from another source;

(b) The reduction will not result in a substantial economic waste of the city's facilities in the area; and

(c) The retention of the area is not essential to the continued prosperity of the city or the reduction would best serve the needs and interests of the community as a whole with respect to government in urban territory.

(3) If following the publication of a reduction ordinance under the authority of Section 1 of this Act, twenty-five percent (25%) of the resident voters or owners of real property within the limits of the territory proposed to be reduced oppose the reduction ordinance, an election shall be held in accordance with the provisions of Section 7 of this Act.

SECTION 9. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

Whenever the limits of a city are enlarged or reduced, the city shall cause an accurate map of the annexed or severed area with a metes and bounds description, together with a copy of the ordinance duly certified, to be recorded in the office of the county clerk of the county or counties in which the city is located and in the office of the secretary of state.

SECTION 10. The following sections of the KRS are repealed:

81.100 Annexation of unincorporated territory or reduction of territory by first-class city.

81.110 Protest against annexation of unincorporated territory or reduction of territory by first-class city — Trial — Judgment.

81.140 Annexation of unincorporated territory or reduction of territory by second-class city.

81.145 Election on annexation of unincorporated territory by a city of the second class in a county containing a city of the second and third class.

81.190 Annexation or reduction of territory by third-class city.

81.210 Annexation or reduction of territory by fourth-class city.

81.220 Protest against annexation by fourth-class city — Trial — Judgment.

81.230 Annexation or reduction of territory by fifth-class city.

81.235 Acquisition of lands by city of fifth class for relocation — When — Expenditures for such purpose.

81.240 Annexation or reduction of territory by sixth-class city.

81.270 Resubmission of proposal for annexation or reduction by city of any class when first proposal is denied by court or defeated by voters.

81.290 Copy of ordinance proposing annexation or reduction of territory by city in county containing a city of first class to be forwarded to fiscal court — Protest suit, fiscal court to be made a party.

81.296 Publication of ordinance.

The Committee Substitute to **HB 20** is as follows:

HB 20, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

The boundaries of cities shall remain as established by law until changed as provided in KRS Chapter 81. The legislative body of any city may annex any unincorporated territory or reduce the boundaries of the city under the provisions of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

Any city exercising authority under Section 1 of this Act shall make plans for the extension of services to the area proposed to be annexed and shall, prior to the public hearings provided for in Section 5 of this Act, prepare a report setting forth such plans. The report shall include:

(1) A map of the city and adjacent territory to show the following information:

(a) The present and proposed boundaries of the city;

(b) The present streets, major trunk water mains, sewer interceptors and outfalls as well as other utility lines;

(c) The present areas receiving, or able to receive, major city services, and the proposed extension of such services to other areas; and

(d) The prevailing general land use patterns existing in the area to be annexed.

(2) A statement showing that the area to be annexed meets the requirements of Section 3 of this Act.

(3) A statement setting forth the plans of the city for extending to the area to be annexed each major city service owned by the city or subsidized through city tax revenues and performed within the city at the time of annexation. Such statement shall:

(a) Provide for extending police and fire protection, garbage collection, and street maintenance services to the area to be annexed on the date of annexation, on substantially the same basis and in the same manner as such services are provided within the boundaries of the city prior to annexation;

(b) Provide for extension, into the area to be annexed, of streets and of major trunk water mains, sewer outfall lines, and lines for such utility services as the city provides to existing city residents and legally may provide in the annexed area, so that when such streets and utility lines are constructed, property owners in the area to be annexed will be able to secure the services, according to the policies in effect in the city for extending the services to individual lots or subdivisions; and shall name the government proposed to be responsible under the plans for any streets or roads which abut or form a boundary of the area to be annexed;

(c) Set forth a proposed timetable for the extension of, and if necessary, the construction for each major city service;

(d) Set forth a projected estimation of tax rates to be levied by the city upon the area to be annexed and affected residents of that area for each year until such time that all major city services have been provided; and

(e) Set forth the method under which the city plans to finance extension of services into the area to be annexed.

SECTION 3. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) A city legislative body may extend the city's boundaries to include any area:

(a) Which is adjacent or contiguous to the city's boundaries at the time the annexation proceeding is begun; and

(b) Which by reason of population density, commercial, industrial, institutional or governmental use of land, or subdivision of land, is urban in character or suitable for development for urban purposes without unreasonable delay.

(2) No part of the area to be annexed shall be included within the boundary of another incorporated city, except as provided by law, but may be included within the boundary of another county.

(3) If a city is considering the annexation of two (2) or more areas which are all adjacent to the city boundary but are not adjacent to one another, it may undertake simultaneous proceedings under authority of Section 1 of this Act for the annexation of such areas.

SECTION 4. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) Any city legislative body desiring to annex territory shall first pass an ordinance stating the intent of the city to consider annexation. The ordinance shall also specify the following:

(a) A summary of the report which is required by Section 2 of this Act;

(b) A statement setting forth its findings that the area meets the standards of Section 3 of this Act;

(c) The date, time and place for public hearings on the question of annexation, the date to be not less than thirty (30) days nor more than sixty (60) days following the passage of the ordinance; and

(d) A statement that the report required in Section 2 of this Act will be available for inspection at least thirty (30) days prior to the date of the first public hearing and where it will be available.

SECTION 5. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) At least two (2) public hearings shall be held on the proposed annexation after the passage of an ordinance pursuant to Section 4 of this Act. Additional hearings may be held. Notice of such hearings shall be published in accordance with KRS Chapter 424.

(2) The hearings held pursuant to this section shall provide an opportunity to be heard to all persons residing or owning property in the area described in the notice of the public hearing, and to all residents of the city.

(3) At each public hearing, a representative of the city shall make an explanation of the report required in Section 2 of this Act. Such explanation shall be as detailed as necessary so as to convey an accurate and definitive report.

(4) The city legislative body shall take into consideration facts presented at the public hearings and shall have authority to amend the report required by Section 2 of this Act and to make changes in the plans for serving the area proposed to be annexed so long as such changes meet the requirements of Section 3 of this Act. If any amendment or change is approved by the city legislative body, another hearing shall be held to provide any person residing or owning property in the area to be annexed or any resident of the city an opportunity to be heard on the amendment or amendments. Such hearing shall be held not later than thirty (30) days after the city legislative body approves the amendment. Notice of such hearing shall be published in accordance with KRS Chapter 424.

SECTION 6. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) At any meeting of the city legislative body which occurs not sooner than thirty (30) days nor later than sixty (60) days following the last public hearing, the city legislative body may adopt an ordinance extending the corporate limits of the city to include all, or part, of the area described in the notice of the public hearing or, if there has been any amendment to such description, that described in the amendment. The area described shall meet the requirements of Section 3 of this Act. The ordinance shall be adopted by a two-thirds vote of the legislative body. The ordinance shall:

(a) Contain a statement of the intent of the city to provide services to the area being annexed as set forth in the report required by Section 2 of this Act.

(b) Contain specific findings showing that the area to be annexed meets the requirements of Section 3 of this Act. The external boundaries of the area to be annexed shall be described by metes and bounds. The city legislative body may also refer to the boundaries set forth on a map of the area and incorporate the same by reference as a part of the ordinance;

(c) Contain a specific finding that on the effective date of annexation the city will have the means to provide by assessment, appropriation or otherwise for the services as specified in Section 2 of this Act;

(d) Contain a statement specifying the city tax rates that will be levied for the next tax year upon the affected residents and property which is to be annexed; and

(e) Fix the effective date of annexation. The effective date of annexation may be fixed for any date within twelve (12) months from the date of passage of the ordinance except within the first sixty (60) days.

(2) The ordinance of annexation shall be published in accordance with the provisions of KRS Chapter 424.

(3) From and after the effective date of the annexation ordinance, the territory in the affected area and its residents and property shall be subject to all laws, ordinances and regulations in force in such city and shall be entitled to the same privileges and benefits as other parts of such city.

SECTION 7. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) A city may reduce its boundaries by ordinance in accordance with this section.

(2) Area may be excluded from a city by a reduction of boundaries only if:

(a) The area does not need urban governmental services, or it can better obtain those services from another source;

(b) The reduction will not result in a substantial economic waste of the city's facilities in the area; and

(c) The retention of the area is not essential to the continued prosperity of the city or the reduction would best serve the needs and interests of the community as a whole with respect to government in urban territory.

(3) If following the publication of a reduction ordinance under the authority of Section 1 of this Act, fifty percent (50%) of the resident voters or owners of real property within the limits of the territory proposed to be reduced oppose the reduction ordinance, an election shall be held in accordance with the provisions of Section 7 of this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

Whenever the limits of a city are enlarged or reduced, the city shall cause an accurate map of the annexed or severed area with a metes and bounds description, together with a copy of the ordinance duly certified, to be recorded in the office of the county clerk of the county or counties in which the city is located and in the office of the secretary of state.

SECTION 9. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall apply in any annexation proceeding in which the annexing city has not adopted a final annexation ordinance by the effective date of this Act.

SECTION 10. The following sections of the KRS are repealed:

81.100 Annexation of unincorporated territory or reduction of territory by first-class city.

81.110 Protest against annexation of unincorporated territory or reduction of territory by first-class city — Trial — Judgment.

81.140 Annexation of unincorporated territory or reduction of territory by second-class city.

81.145 Election on annexation of unincorporated territory by a city of the second class in a county containing a city of the second and third class.

81.180 Second-class city to divide annexed territory into wards — Right of electors in annexed territory.

81.190 Annexation or reduction of territory by third-class city.

81.210 Annexation or reduction of territory by fourth-class city.

81.220 Protest against annexation by fourth-class city — Trial — Judgment.

81.230 Annexation or reduction of territory by fifth-class city.

81.240 Annexation or reduction of territory by sixth-class city.

81.250 Fifth or sixth-class city takes over rights and liabilities of city annexed.

81.260 Liability of property owners in territory annexed to sixth-class city for debts of city incurred before annexation.

81.270 Resubmission of proposal for annexation or reduction by city of any class when first proposal is denied by court or defeated by voters.

81.296 Publication of ordinance.

HB 432, AN ACT relating to police in cities of the fourth and fifth classes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95.700 is amended to read as follows:

[(1)] The city legislative body in cities of the fourth and fifth classes may, by ordinance, establish a police department, appoint its members, and provide for their number, grades, compensation and regulation.

[(2) Except in cities of the fourth class which have accepted and adopted KRS 95.761 to 95.784, the term of office of members of the police department appointed by the city legislative body shall not exceed two years. The city legislative body shall reappoint to their office, members of the police department who have not yet reached the age of retirement unless sufficient cause be shown for the failure to reappoint them. They shall be subject to removal for cause.]

SECTION 2. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

(1) Members of any police department created pursuant to KRS 95.700 shall be subject to removal at any time for cause. No member shall be removed from the department or be reduced in grade or pay, or be publicly reprimanded or be suspended or otherwise punished for any reason except inefficiency, misconduct, insubordination, violation of law or violation of written rules adopted for the department.

(2) Any person may prefer charges against a member of the police department, and it shall be the duty of the mayor and each member of the city legislative body to prefer charges against any member of the police department who is believed to be guilty of conduct justifying the removal, reduction in grade or pay suspension, public reprimand or other punishment. All charges brought against any member of the police department shall be in writing, signed by the person making the charges and shall clearly set out each charge and the facts supporting it. The written charges shall be filed with the mayor and the city clerk before any action regarding the charges may be taken.

(3) The mayor shall review any charge against a member of the police department and if he determines that the charge warrants further investigation he shall order a hearing to be held before the legislative body on the charge, provided, however, that the legislative body may elect by majority vote to hold a hearing on any charge dismissed by the mayor. The legislative body shall meet as a hearing board on any charge referred to it within fourteen (14) days of the filing, provided that no hearing shall be held until four (4) days after the charged member has been served with a full copy of the charges and a statement of the time, day and place of the hearing. Service by mailing a copy of the charges to the last known address of the accused member shall be sufficient. The member may, in writing, waive the service of the charges and the hearing may be held by mutual agreement. The charged member may, in writing, waive his right to the hearing and agree to accept an administrative disciplinary decision which shall be rendered within the same time limitations as provided for a hearing. Such waiver shall preclude his right to a subsequent hearing on the same charges.

(4) The hearing before the legislative body shall be confined to the written charges. The legislative body and the charged member shall have the power to compel the attendance of witnesses upon subpoena issued by the city clerk and served by any person authorized to serve subpoenas. The legislative body shall have the same contempt powers as a district court judge with regard to the hearing.

(5) The legislative body, at its own expense, shall cause the entire hearing to be transcribed. The legislative body shall make detailed, written, findings of fact and a written decision within fourteen (14) days of the conclusion of the hearing. The transcript, together with the written charges, the notice to the charged member and copies of all subpoenas, shall be kept in a separate book maintained in the office of the city clerk. If a majority of the members find the charges to be true, the legislative body shall in its decision, fix punishment against a member of the police department by public reprimand or by suspension for any length of time, not to exceed six (6) months, or by reducing the member in grade or pay, or combining any two (2) or more said punishments, or by the removal of such member from the police department. No member of the police department shall be removed or suspended for any period in excess of thirty (30) days or reduced in grade or pay except pursuant to the provisions of this section.

(6) If the mayor has probable cause to believe that any member of the police department has been guilty of any conduct justifying any of the above punishments, he may suspend the member from duty, or from both pay and duty, pending the hearing provided for in subsection (3) of this section, and the member shall not be placed on duty or allowed pay thereafter until the charges are resolved by the legislative body.

(7) If any member of the police department is suspended under any permissible disciplinary action, the length of the suspension shall be specifically stated and the days of the suspension shall run consecutively.

(8) The provisions of this section shall not apply to or affect proceedings against members of the police department under KRS Chapters 61 and 63, or the chief of police.

HB 319, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.213 is amended to read as follows:

(1) Before any map amendment is granted, the planning commission or the legislative body or fiscal court must find that the map amendment is in agreement with the community's comprehensive plan, or, in the absence of such a finding, that one or more of the following apply and such finding shall be recorded in the minutes and records of the planning commission or the legislative body or fiscal court.

(a)[(1)] That the original zoning classification given to the property was inappropriate or improper.

(b)[(2)] That there have been major changes of an economic, physical or social nature within the area involved which were not anticipated in the community's comprehensive plan and which have substantially altered the basic character of such area.

(2) If the planning commission, legislative body or fiscal court denies the proposed map amendment, the same amendment shall not be reconsidered for a period of not less than two (2) years from the date of the final denial of the map amendment.

The Committee Substitute to **HB 319** is as follows:

HB 319, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.213 is amended to read as follows:

(1) Before any map amendment is granted, the planning commission or the legislative body or fiscal court must find that the map amendment is in agreement with the community's comprehensive plan, or, in the absence of such a finding, that one or more of the following apply and such finding shall be recorded in the minutes and records of the planning commission or the legislative body or fiscal court.

(a)[(1)] That the original zoning classification given to the property was inappropriate or improper.

(b)[(2)] That there have been major changes of an economic, physical or social nature within the area involved which were not anticipated in the community's comprehensive plan and which have substantially altered the basic character of such area.

(2) The planning commission, legislative body or fiscal court may adopt provisions which prohibit for a fixed period of time the reconsideration of a denied map amendment or the consideration of a map amendment identical to a denied map amendment.

Motions, Petitions and Communications (Continued)

Representative LeMaster moved that **SB 156** be returned to the Committee on Committees.

On the roll call the vote was yeas 33-Arnold, Barrows, Bendl, Bennett, Blythe, Boswell, Brown, Clark, Curd, Cyrus, Dawahare, DeMarcus, Dunn, Farrow, Fryman, Gray, Head, Hines, Kidd, LeMaster, List, Lundergan, Mann, Nett, Overstreet, Plummer, Priddy, Robinson, Stumbo, Thomason, Turner, Van Horn, Williams. Nays 2-Noe, Thomas.

The motion that **SB 156** be returned to the Committee on Committees was adopted.

Representative Arnold moved that **HB 610** be returned to the Committee on Committees.

On the roll call the vote was yeas 33-Arnold, Barrows, Bendl, Bennett, Boswell, Brinkley, Brown, Clark, Clarke, Cyrus, Davenport, Dawahare, DeMarcus, Farrow, Foster, Gray, Head, Heleringer, Hines, Holbrook, Jones, Kidd, LeMaster, List, Lundergan, Mann, McBee, Moberly, Noe, Plummer, B. Richardson, Thomason, Turner. Nays 2-Dunn, Van Horn.

The motion that **HB 610** be returned to the Committee on Committees was adopted.

Representative Burnette moved that **HB 226** be taken from the Clerk's desk and placed in Orders of the Day for Thursday, February 28, 1980.

On the roll call the vote was yeas 31-Arnold, Bendl, Boswell, Brown, Bruce, Burnette, Clapp, Craddock, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Farrow, Foster, Guenthner, Heleringer, Johnson, Lundergan, Mann, McBee, Morris, Overstreet, B. Richardson, Riner, Robinson, Schmidt, Turner, Van Horn, Williams, Wright. Nays 9-Bennett, Clark, Cyrus, Gray, List, Moberly, Noe, Thomas, Weinberg.

The motion that **HB 226** be taken from the Clerk's desk and placed in the Orders of the Day for Thursday, February 28, 1980, was adopted.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Blythe, **HB 651;** Representative Guenthner, **HB 532;** Representative Haering, **HB 624;** Representative Little, **HB 470;** Representative Moberly, **HB 531;** Representative Riner, **HB 624;** Representative Romines, **HB 265, HB 624.**

Representative Brown moved the adoption of the following Legislative Citation No. 31:

The House of Representatives of the Commonwealth of the Commonwealth of Kentucky hereby congratulates the Elliott County High School Marching Band and your excellent director, Mr. Randy Evans, for your superior rating in the 1980 Mardi Gras Parade in New Orleans. Your outstanding performance merited your participation in the Greatest Band in Dixie competition crowning you with a trophy, three hundred dollars in cash and individual emblems. Your tireless effort, great ambition and school loyalty proved most rewarding. We salute you for the great distinction and honor that you have brought to your school and community. (Sponsored by Representative Brown)

Agreed.

Representative Thomason moved the adoption of the following Legislative Citation No. 32:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Richard Henderson Soaper, Jr., a native of Henderson County, Kentucky, for being chosen to represent Kentucky in the torch relay, January 31 to February 8, before the opening of the 1980 Winter Olympics in Lake Placid, New York. Your international climbing experience undoubtedly helped when you applied to be one of the Olympic-torch runners. At the age of twenty-three, you were the first, the youngest and the only living American to plant a U.S. and Kentucky flag on the highest peak of Mount Communism in the Soviet Union. May your professional studies in law at William and Mary College and your athletic ambitions offer you the greatest of challenges in your future endeavors. (Sponsored by Representative Thomason)

Agreed.

Representative Arnold announced a meeting of the Committee on Counties and Special Districts for Wednesday, 8:00 a.m., Room 316.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Wednesday, February 27, 1980.

On the roll call the vote was yeas 53-Arnold, Barrows, Bendl, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burnette, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Farrow, Foster, Gray, Hancock, Head, Hines, Johnson, Kidd, Layman, List, Lundergan, May, Maynard, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, Schmidt, Stumbo, Thomason, Tobin, Turner, White, Wilborn, Williams, Worthington. Nays 9-Bennett, Bronger, Dunn, Guenthner, LeMaster, Overstreet, Robinson, Romines, Van Horn.

The motion to adjourn was adopted.

WEDNESDAY, FEBRUARY 27, 1980

THIRTY-SECOND LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Donald Coleman, South Jefferson Baptist Church, Valley Station, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Smith.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 26, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 666, by Representative Wright: AN ACT relating to the state energy cost assistance program.

HB 667, by Representative Wright: AN ACT relating to settlement of estates.

HB 668, by Representative Craddock: AN ACT relating to the custody and disposition of certain property.

HB 669, by Representatives Foster and P. Richardson: AN ACT relating to credit life and health insurance.

HB 670, by Representative Romines: AN ACT relating to voter registration.

HB 671, by Representatives Mann and Stone: AN ACT relating to pharmacists and pharmacy.

HB 672, by Representative Barrows: AN ACT relating to planning and zoning.

HB 673, by Representative DeFalaise: AN ACT relating to Secured Transactions in Article 9 of the Uniform Commercial Code.

HB 674, by Representative B. Richardson: AN ACT relating to cigarette sales.

HB 675, by Representative Little: AN ACT relating to mine rescue teams.

HB 676, by Representatives Farrow and Foster: AN ACT relating to liens on fire insurance proceeds.

HB 677, by Representatives Noe, Mann, Thomas, and Farrow: AN ACT relating to teachers.

HR 75, by Representatives Wright, LeMaster, Sale and Haering: A RESOLUTION honoring the University of Kentucky basketball team.

HR 76, by Representative Wright, Burnette, and LeMaster: A RESOLUTION honoring the 1980 University of Louisville Basketball Cardinals and Coach Denny Crum upon winning the Metro-7 Conference Title.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 662.**

Appropriations and Revenue: **HB 648, HB 649, HB 650, HB 651.**

Banking and Insurance: **HB 642, HB 643, HB 652, HB 656, HB 657, HB 658, HB 664.**

Business Organizations and Professions: **HB 653, HB 654, HB 663.**

Cities: **HB 610.**

Counties and Special Districts: **SB 172.**

Elections and Constitutional Amendments: **HB 665.**

Energy: **SB 156.**

Health and Welfare: **HB 655, HB 659.**

Judiciary: **HB 635, HB 660, HB 661.**

Labor and Industry: **HB 636, HB 637, HB 638, HB 639, HB 640, HB 644, HB 645, HB 646, HB 647, SB 14.**

State Government: **HR 74.**

Transportation: **HB 641.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Business Organizations and Professions: **SB 90, HB 548.**

Cities: **SB 25.**

Judiciary: **HB 89, HB 273, HB 533, HB 580, HB 591, HB 617, SB 42.**

Report of Committees

The Committee on Rules reported **HB 147, HB 222, HB 238, HB 308, HB 424, HB 446, HB 517,** and **SB 91** have been posted for passage in Orders of the Day for February 28, 1980.

The Committee on Rules reported the following Bills have been recommitted:

HB 249 to the Committee on Judiciary.

SB 75 to the Committee on State Government.

The Committee on Counties and Special Districts reported **HB 299** with Committee Substitute attached thereto, **HB 439** with Committee Amendment attached thereto, and **HB 547** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 299, AN ACT relating to public transportation, and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96A.010 is amended to read as follows:
As used in this chapter, unless the context otherwise requires, the following words or terms shall mean as follows:

(1) "City" means any incorporated city in the commonwealth;

(2) "County" means any county in the commonwealth wherein there is located an incorporated city and for the purpose of this chapter shall also mean a county which has adopted an urban-county government;

(3) "State" means the commonwealth;

(4) "Transit authority" or "authority" means a transit authority created pursuant to this chapter;

(5) "Board" means the board of a transit authority;

(6) "Public body" means any city or county of the commonwealth;

(7) "Governing body" means, as to a county, the fiscal court thereof; and as to a city, the legislative body thereof, howsoever the same may be denominated according to law;

(8) "Proceedings" means, in the case of a county, a resolution of its fiscal court; and in the case of a city, an ordinance adopted and made effective according to law by its governing body;

(9) "Joint proceedings" relates only to the establishment of a transit authority by two (2) or more public bodies acting in concert or by agreement, and means the proceedings, taken collectively, by the governing bodies of the public bodies, participating in the creation and establishment of a transit authority;

(10) "Appointing authority" means, as to a county, the county judge/executive thereof; and as to any city, the elected chief officer thereof, whether designated as its mayor or the chairman of its board of trustees or otherwise;

(11) "Area" or "transit area" means the geographical area which may be encompassed from time to time within the lawful boundaries of such cities and counties as may be involved in the creation and establishment of an authority; and of any cities or counties within any single unified metropolitan area which may subsequently become participants as provided in this chapter.

(12) "Mass transit," or "mass transportation," means the [local] transportation of persons and their baggage within *or without* a transit area, but shall not include [charter bus operations beyond the authority's transit area,] the for-hire operation of a taxicab, airport limousine, or industrial bus as defined by KRS Chapter 281.

Section 2. KRS 96A.020 is amended to read as follows:

(1) A transit authority may be created and established under the provisions of this chapter by proceedings or joint proceedings, and the name thereof shall be "Transit Authority of ....." If established by a city alone, or by a county alone, the name shall be completed by identification of the city or county. If created and established by joint proceedings, the name may be completed by inserting words generally identifying the area intended to be served, in such manner as the public bodies may determine by concert or agreement in their joint proceedings. Such transit authority shall constitute an agency and instrumentality for accomplishing essential governmental functions of the public body or public bodies creating and establishing the same, and shall be a political subdivision and a public body corporate, with power to contract and be contracted with, to sue and be sued, to establish, alter and enforce rules and regulations in furtherance of the purposes of its creation, to adopt, use and alter a corporate seal, and to have and exercise, generally, all of the powers of private corporations, as enumerated in KRS 271A.020, except to the extent the same may be inconsistent with this chapter. An authority shall be authorized to promote and develop mass transportation in its transit area *and adjoining areas*, including acquisition, operation and extension of existing mass transit systems; and an authority shall have and may exercise such powers as may be necessary or desirable to carry out such purposes. Subject to proof of public convenience and necessity as required by KRS Chapter 281 it may provide service outside its transit area.

(2) Subsequent to the creation and establishment of a transit authority, one or more additional public bodies may be permitted to join therein, in such manner and subject to such conditions as may be prescribed by the board of the authority with the concurrence and approval of all public bodies which have theretofore participated in the establishment or previous enlargement of the authority.

Section 3. KRS 96A.080 is amended to read as follows:

(1) A transit authority may establish mass transportation within its transit area *and adjoining areas*, but may not inaugurate service in direct competition with any existing certificated carrier.

(2) In addition to the power conferred upon an authority by this chapter, an authority may acquire real or personal property, easements, franchises, bus certificates, or other rights by any lawful means necessary to its operation of any existing mass transit system within its transit area *and adjoining areas*, provided that having acquired an existing transit system it shall not thereafter inaugurate service in direct competition with any other existing certificated carrier.

(3) An authority may, if unable to contract or agree with the owner or owners thereof, acquire real and personal property, franchises, bus certificates, easements and other rights when necessary in and to the accomplishments of the public purposes of the authority, through exercise of the power of eminent domain; provided, however, that in acquiring any private bus company pursuant to this section, the authority may not do so piecemeal but shall acquire the entire system including that which may be outside the area then included within the authority. An authority shall not condemn any real and personal property, franchises, bus certificates, easements and other rights of a private bus company the majority of whose passengers move

between termini without the transit area. Any exercise of such power shall be initiated by resolution of the board of the authority identifying the properties or rights to be acquired, reciting the board's determination that acquisition by such means is necessary, and authorizing initiation of proceedings as required by law; and such resolution of the board of the authority shall not be conclusive of such determination but shall be subject to the approval of the fiscal court or courts of the county or counties in which the property sought to be condemned is located.

(4) Proceedings in the exercise of the power of eminent domain herein vested in an authority shall, except where inconsistent with this chapter, be such as are prescribed for the bureau of highways by the Eminent Domain Act of Kentucky, and as the same may be amended and supplemented from time to time. All such proceedings shall be governed by the provisions of the Rules of Civil Procedure except where the provisions of this chapter or of the Eminent Domain Act of Kentucky specifically or by necessary implication provide otherwise. If a privately owned mass transportation system, or other property sought to be acquired by an authority, shall have been acquired or improved in whole or in part at the expense of the authority, the cost and value of such acquisitions and improvements shall be excluded in any proceedings to establish the fair value thereof.

(5) During any period when negotiations for the purchase of a mass transit system are in progress, and/or during any period when proceedings for acquisition of a mass transportation system through exercise of the power of eminent domain may be pending, an authority may make reasonable subsidy payments to the owner or owners of such mass transit system if, in the judgment of the board of the authority, such subsidy payments are necessary in order to give reasonable assurance that there will be no substantial reduction of transportation service to the public. Such subsidy payments may be made by an authority from any resources available to it, or from appropriations made or agreed to be made to it by any public body having an interest in the preservation of mass transit service to the public; and if bonds are ultimately issued for the purchase or other acquisition of such mass transit system, the aggregate amount of such subsidy payments may be included as a part of the cost of acquisition and made payable from the proceeds of such bonds. In no event, however, shall any action on the part of a board of an authority in this connection create an indebtedness of the authority beyond its available resources or such appropriations or the proceeds of such bonds, if and when bonds are issued.

Section 4. KRS 96A.120 is amended to read as follows:

For the purposes of acquiring or otherwise establishing one or more transit systems, or parts thereof, or for the purpose of adding to, extending, *operating* or improving one or more mass transportation systems owned or to be acquired or established, or for any combination of such purposes, an authority may, *in addition to other methods permitted by law,* resort to financing according to any of the following financing methods, or any combination thereof, to the extent not inconsistent, one with another:

(1) Upon determination of its financing needs, an authority, by resolution of its board, may request the public body responsible for its creation and establishment, or any one or more of such public bodies if there be more than one:

(a) To appropriate and pay over to the authority all or any part of the amount determined to be necessary, or

(b) To provide the amount so determined to be necessary, or any part thereof, from the proceeds of general obligation bonds of such public body or public bodies, in which event the governing body or governing bodies of such public body or public bodies may, in its or their discretion, take such action as may be required by the constitution and applicable statutes of the commonwealth to submit to the voters thereof, at one or more elections to be held for such purpose, a proposal or proposals that the issuance of such general obligation bonds be approved and authorized, and if so approved and authorized, such general obligation bonds may be issued and the proceeds thereof may be appropriated to the authority in the manner requested;

(2) An authority may issue revenue bonds in its own name, payable solely from its income and revenues, and not constituting or purporting to constitute an indebtedness of the authority or of any other public body within the meaning of debt-limiting provisions of the constitution and applicable statutes of the commonwealth, in the manner and in accordance with the procedures set forth in KRS 58.010 to 58.170, inclusive, and KRS 61.390, subject to any interest rate limitations which may be applicable thereto as provided by law;

(3) An authority may issue its mortgage bonds, as authorized by KRS 58.170 and may make provision for obtaining revenues for the payment of the principal of and interest thereon, and for the payment of costs of operating and maintenance, and for the accumulation of reserves for renewals, replacements, extensions and improvements, and for debt service reserves, by leasing any mass transportation system owned by the authority, or to be acquired or established by the authority (or, if there be more than one mass transportation system, by leasing the same individually or in any combination) to one or more public bodies, whether or not such public bodies, or any of them, shall have participated in the creation and establishment of the authority. Any such lease shall be a written instrument, executed by the authority as lessor, and by one or more public bodies, as a lessee or lessees, for a period of one (1) year (which may be from the date of the

mortgage bonds, or from the date of acquisition or other establishment of the mass transit system or systems referred to therein), with exclusive options to the lessee or lessees to renew the same thereafter, from year to year, for one (1) year at a time, upon such rentals and other terms and provisions as will provide to the authority, in the event such lease is renewed by the lessee or lessees from time to time in accordance with such options, annual sums sufficient to provide for meeting the purposes of this subsection;

(4) General obligation bonds issued for the benefit of an authority, or revenue bonds or mortgage bonds issued by an authority may, in the discretion of the parties involved in the issuance thereof, be refinanced, whether at maturity or upon prior redemption in accordance with the terms thereof, by the issuance of bonds according to any of the financing plans herein authorized.

Section 5. KRS 96A.170 is amended to read as follows:

[(1)] An authority created and established under this chapter, together with its ownership, financing, operation, rates and charges for use of its services and facilities, rules and regulations, routes, schedules, *size and character of its equipment* and quality of service within its transit area shall be exempt from all jurisdiction of the department of transportation of the commonwealth, provided, however, that no new service may be instituted within or outside of the authority's transit area in competition with an existing certificated bus company without an application to and a grant of authority from the department of transportation as provided by KRS chapter 281, provided further that nothing in this section shall deny the department of transportation the authority to render such advice and assistance, including financial aid, engineering, planning and technical assistance, as it deems advisable, to enable an authority as created under this chapter to acquire, construct, expand, maintain, and operate a mass transit system as defined in this chapter and to establish regulations to promote local transit authorities.

[(2) No transit authority may engage in any charter bus service beyond the territorial limits of its transit area except a transit authority located in an urban-county government which may engage in intrastate charter bus service within twenty-five miles from the boundaries of the urban-county government.]

Section 6. KRS 96A.180 is amended to read as follows:

An authority *may* [shall] provide for insurance of its properties, and for workmen's compensation, and for public liability or any other risk or hazard arising from its activities, and may provide for the insuring of its officers or employes against any such risk or hazard, and the expense of obtaining such insurance, and of paying the premiums therefor from time to time, shall be borne by the authority and chargeable as an operating expense of the authority. [In the event it shall prove to be impossible to obtain any such insurance coverage from reliable and reputable insurance carriers at reasonable rates,] The board of an authority may provide for self insurance and may establish for that purpose such reserves as *it deems prudent* [may be within its ability to pay].

Section 7. KRS 138.662 is amended to read as follows:

(1) City and suburban bus companies [and taxicab companies] operating under a certificate of convenience and necessity issued pursuant to KRS Chapter 281 *and all transit authority vehicles shall be exempted from the KRS Chapter 138 taxes paid on motor fuels. Taxicab companies operating under a certificate of convenience and necessity issued pursuant to KRS Chapter 281* shall be entitled to a refund of seven-ninths of the amount of KRS Chapter 138 taxes paid on motor fuels used [in their regularly scheduled operations] in Kentucky.

(2) No person shall be entitled to a refund *or exemption* hereunder unless he shall have first filed with the department of revenue a bond issued by a surety company authorized to do business in Kentucky in an amount of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) to be determined by the department of revenue, conditioned upon faithful compliance with this section and upon the payment to the Commonwealth of any refunds *or exemptions* to which he was not entitled.

(3) Applications for refund *or exemptions shall be administered by the department of revenue* [shall on or before the last day of each month following the quarter, September 30, December 31, March 31, and June 30, be made to the department of revenue on forms and in the manner prescribed by it for the refund of tax paid on motor fuel used by buses or taxicabs during the quarter; except that a taxicab company may file an application within ninety (90) days after the close of the fiscal year in which the purchases were made. Each application for a refund shall show the number of gallons of motor fuel purchased during the quarter for use in buses or taxicabs; the date and quantity of each purchase; the vendor from whom such fuel was purchased; the number of gallons on which refund is claimed; and such other information as the department of revenue may require. The application shall be made under oath. Invoices shall be attached to applications from taxicab companies].

(4) The department may require any gasoline dealer or any dealer's authorized agent to identify gasoline sold by him for taxicab use by adding thereto any chemical or substance, which shall be furnished by the department and used in the manner as prescribed by the department. The department also may require that the dealer keep a complete record of all such gasoline sold by him, which records shall give the date of each such sale, the number of gallons sold, the name of the person to whom sold, and the sale price.

(5) The department of revenue shall audit the application and make such other investigation as it deems necessary to determine whether it constitutes a proper claim. When the department of revenue is satisfied that a refund is proper it shall authorize seven-ninths of the amount of the tax paid to be refunded as other refunds are made and the amount refunded shall be deducted from current motor fuel tax receipts.

(6) When the department of revenue finds that an application for a refund *or exemption* contains a false or fraudulent statement or that a refund *or exemption* has been fraudulently obtained, the department of revenue shall refuse to grant any refunds *or refuse to allow an exemption* to the person making such false or fraudulent statement or fraudulently obtaining a refund *or exemption* for a period of two (2) years from the date of such findings.

(7) The department of revenue may prescribe, adopt and enforce regulations relating to the administration and enforcement thereof.

(8) The refund provided herein shall be effective on motor fuel purchased July 1, 1978 and thereafter. *The exemption provided herein shall be effective on motor fuel purchased July 1, 1980 and thereafter.*

Section 8. KRS 189.265 is amended to read as follows:

(1) "Motor bus" shall mean any motor vehicle designed primarily for the transportation of passengers and having a seating capacity in excess of nine (9) passengers including the driver*, provided, however, that transit authorities created pursuant to KRS Chapter 96A are exempt from the provisions of this section.*

(2) No person shall operate on any highway, except such highways as may be designated by the commissioner of highways pursuant to subsection (3) of this section, any motor bus which exceeds, including any part of the body or load eleven (11) feet six (6) inches in height, forty (40) feet in length, twenty (20) tons in gross weight, or ninety-six (96) inches in width, exclusive of any required safety equipment.

(3) The commissioner of highways, in respect to highways which are a part of the state-maintained system, by official order may increase the maximum height of a motor bus to twelve (12) feet six (6) inches and the maximum width of a motor bus to 102 inches, exclusive of any required safety equipment and tire bulge due to loads, if in the opinion of the commissioner the increased height and width designated by him is justified by the width of such highways, provided, however, that any such increase in the width of motor buses or designation of highways to be used by them shall not, in any way, exceed the federal law or regulations thereunder or jeopardize the allotment or qualification for federal aid funds of the Commonwealth of Kentucky.

SECTION 9. A NEW SECTION OF KRS CHAPTER 96A IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky department of transportation shall participate in the federal capital grant program administered under the urban mass transportation administration, as provided in this section.

(2) Any local government unit or transit authority may apply to the Kentucky department of transportation for matching funding in order to participate in the federal capital grant administered by the urban mass transportation administration. This application shall provide such background information and statistics concerning the project as the department shall deem necessary.

(3) The Kentucky department of transportation shall furnish half of the local government's share of the funding for each project.

SECTION 10. A NEW SECTION OF KRS CHAPTER 96A IS CREATED TO READ AS FOLLOWS:

The department of transportation shall institute a program for administering and subsidizing reduced fares for those citizens of Kentucky sixty-five (65) years of age or older or physically or mentally handicapped on public transportation. The department shall adopt regulations governing the operation of the program by provider of public transportation services.

SECTION 11. A NEW SECTION OF KRS CHAPTER 96A IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall institute a program for administering and subsidizing operations and capital expenditures of transit authorities for door to door demand-responsive, subscription and other supportive transportation services for handicapped citizens of Kentucky.

(2) The department of transportation shall promulgate necessary rules and regulations for the implementation of this section.

Section 12. (1) To carry out the purposes of Section 9 of this Act, there is appropriated to the department of transportation out of the general fund the sum of five hundred thousand dollars ($500,000) for each of the fiscal years 1980-81 and 1981-82.

(2) To carry out the purposes of Section 10 of this Act, there is appropriated to the department of transportation out of the general fund the sum of six hundred thousand dollars ($600,000) for each of the fiscal years 1980-81 and 1981-82.

(3) To carry out the purpose of Section 11 of this Act, there are appropriated to the department of transportation from the general fund the following sums:

(a) For programs in urban counties, and counties which contain a city of the first or second class, five hundred thousand dollars ($500,000) for each of the years 1980-81 and 1981-82;

(b) For programs in counties not included under (a), five hundred thousand dollars ($500,000) for each of the fiscal years 1980-81 and 1981-82.

(4) Any unexpended balance of the amounts appropriated under this section for fiscal year 1980-81 shall not lapse and shall be carried forward to fiscal year 1981-82.

The Committee Substitute to **HB 299** is as follows:

HB 299, AN ACT relating to public transportation, and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96A.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires, the following words or terms shall mean as follows:

(1) "City" means any incorporated city in the commonwealth;

(2) "County" means any county in the commonwealth wherein there is located an incorporated city and for the purpose of this chapter shall also mean a county which has adopted an urban-county government;

(3) "State" means the commonwealth;

(4) "Transit authority" or "authority" means a transit authority created pursuant to this chapter;

(5) "Board" means the board of a transit authority;

(6) "Public body" means any city or county of the commonwealth;

(7) "Governing body" means, as to a county, the fiscal court thereof; and as to a city, the legislative body thereof, howsoever the same may be denominated according to law;

(8) "Proceedings" means, in the case of a county, a resolution of its fiscal court; and in the case of a city, an ordinance adopted and made effective according to law by its governing body;

(9) "Joint proceedings" relates only to the establishment of a transit authority by two (2) or more public bodies acting in concert or by agreement, and means the proceedings, taken collectively, by the governing bodies of the public bodies, participating in the creation and establishment of a transit authority;

(10) "Appointing authority" means, as to a county, the county judge/executive thereof; and as to any city, the elected chief officer thereof, whether designated as its mayor or the chairman of its board of trustees or otherwise;

(11) "Area" or "transit area" means the geographical area which may be encompassed from time to time within the lawful boundaries of such cities and counties as may be involved in the creation and establishment of an authority; and of any cities or counties within any single unified metropolitan area which may subsequently become participants as provided in this chapter.

(12) "Mass transit," or "mass transportation," means the [local] transportation of persons and their baggage within *or without* a transit area, but shall not include [charter bus operations beyond the authority's transit area,] the for-hire operation of a taxicab, [airport limousine,] or industrial bus as defined by KRS Chapter 281.

Section 2. KRS 96A.020 is amended to read as follows:

(1) A transit authority may be created and established under the provisions of this chapter by proceedings or joint proceedings, and the name thereof shall be "Transit Authority of ....." If established by a city alone, or by a county alone, the name shall be completed by identification of the city or county. If created and established by joint proceedings, the name may be completed by inserting words generally identifying the area intended to be served, in such manner as the public bodies may determine by concert or agreement in their joint proceedings. Such transit authority shall constitute an agency and instrumentality for accomplishing essential governmental functions of the public body or public bodies creating and establishing the same, and shall be a political subdivision and a public body corporate, with power to contract and be contracted with, to sue and be sued, to establish, alter and enforce rules and regulations in furtherance of the purposes of its creation, to adopt, use and alter a corporate seal, and to have and exercise, generally, all of the powers of private corporations, as enumerated in KRS 271A.020, except to the extent the same may be inconsistent with this chapter. An authority shall be authorized to promote and develop mass transportation in its transit area *and adjoining areas*, including acquisition, operation and extension of existing mass transit systems; and an authority shall have and may exercise such powers as may be necessary or desirable to carry out such purposes. Subject to proof of public convenience and necessity as required by KRS Chapter 281 it may provide service outside its transit area.

(2) Subsequent to the creation and establishment of a transit authority, one or more additional public bodies may be permitted to join therein, in such manner and subject to such conditions as may be prescribed by the board of the authority with the concurrence and approval of all public bodies which have theretofore participated in the establishment or previous enlargement of the authority.

Section 3. KRS 96A.080 is amended to read as follows:

(1) A transit authority may establish mass transportation within its transit area *and adjoining areas*, but may not inaugurate service in direct competition with any existing certificated carrier.

(2) In addition to the power conferred upon an authority by this chapter, an authority may acquire real or personal property, easements, franchises, bus certificates, or other rights by any lawful means necessary to its operation of any existing mass transit system within its transit area *and adjoining areas*, provided that having acquired an existing transit system it shall not thereafter inaugurate service in direct competition with any other existing certificated carrier.

(3) An authority may, if unable to contract or agree with the owner or owners thereof, acquire real and personal property, franchises, bus certificates, easements and other rights when necessary in and to the accomplishments of the public purposes of the authority, through exercise of the power of eminent domain; provided, however, that in acquiring any private bus company pursuant to this section, the authority may not do so piecemeal but shall acquire the entire system including that which may be outside the area then included within the authority. An authority shall not condemn any real and personal property, franchises, bus certificates, easements and other rights of a private bus company the majority of whose passengers move between termini without the transit area. Any exercise of such power shall be initiated by resolution of the board of the authority identifying the properties or rights to be acquired, reciting the board's determination that acquisition by such means is necessary, and authorizing initiation of proceedings as required by law; and such resolution of the board of the authority shall not be conclusive of such determination but shall be subject to the approval of the fiscal court or courts of the county or counties in which the property sought to be condemned is located.

(4) Proceedings in the exercise of the power of eminent domain herein vested in an authority shall, except where inconsistent with this chapter, be such as are prescribed for the bureau of highways by the Eminent Domain Act of Kentucky, and as the same may be amended and supplemented from time to time. All such proceedings shall be governed by the provisions of the Rules of Civil Procedure except where the provisions of this chapter or of the Eminent Domain Act of Kentucky specifically or by necessary implication provide otherwise. If a privately owned mass transportation system, or other property sought to be acquired by an authority, shall have been acquired or improved in whole or in part at the expense of the authority, the cost and value of such acquisitions and improvements shall be excluded in any proceedings to establish the fair value thereof.

(5) During any period when negotiations for the purchase of a mass transit system are in progress, and/or during any period when proceedings for acquisition of a mass transportation system through exercise of the power of eminent domain may be pending, an authority may make reasonable subsidy payments to the owner or owners of such mass transit system if, in the judgment of the board of the authority, such subsidy payments are necessary in order to give reasonable assurance that there will be no substantial reduction of transportation service to the public. Such subsidy payments may be made by an authority from any resources available to it, or from appropriations made or agreed to be made to it by any public body having an interest in the preservation of mass transit service to the public; and if bonds are ultimately issued for the purchase or other acquisition of such mass transit system, the aggregate amount of such subsidy payments may be included as a part of the cost of acquisition and made payable from the proceeds of such bonds. In no event, however, shall any action on the part of a board of an authority in this connection create an indebtedness of the authority beyond its available resources or such appropriations or the proceeds of such bonds, if and when bonds are issued.

Section 4. KRS 96A.120 is amended to read as follows:

For the purposes of acquiring or otherwise establishing one or more transit systems, or parts thereof, or for the purpose of adding to, extending, *operating* or improving one or more mass transportation systems owned or to be acquired or established, or for any combination of such purposes, an authority may, *in addition to other methods permitted by law,* resort to financing according to any of the following financing methods, or any combination thereof, to the extent not inconsistent, one with another:

(1) Upon determination of its financing needs, an authority, by resolution of its board, may request the public body responsible for its creation and establishment, or any one or more of such public bodies if there be more than one:

(a) To appropriate and pay over to the authority all or any part of the amount determined to be necessary, or

(b) To provide the amount so determined to be necessary, or any part thereof, from the proceeds of general obligation bonds of such public body or public bodies, in which event the governing body or governing bodies of such public body or public bodies may, in its or their discretion, take such action as may be required by the constitution and applicable statutes of the commonwealth to submit to the voters thereof, at one or more elections to be held for such purpose, a proposal or proposals that the issuance of such general obligation bonds be approved and authorized, and if so approved and authorized, such general obligation bonds may be issued and the proceeds thereof may be appropriated to the authority in the manner requested;

(2) An authority may issue revenue bonds in its own name, payable solely from its income and revenues, and not constituting or purporting to constitute an indebtedness of the authority or of any other public body within the meaning of debt-limiting provisions of the constitution and applicable statutes of the commonwealth, in the manner and in accordance with the procedures set forth in KRS 58.010 to 58.170, inclusive, and KRS 61.390, subject to any interest rate limitations which may be applicable thereto as provided by law;

(3) An authority may issue its mortgage bonds, as authorized by KRS 58.170 and may make provision for obtaining revenues for the payment of the principal of and interest thereon, and for the payment of costs of operating and maintenance, and for the accumulation of reserves for renewals, replacements, extensions and improvements, and for debt service reserves, by leasing any mass transportation system owned by the authority, or to be acquired or established by the authority (or, if there be more than one mass transportation system, by leasing the same individually or in any combination) to one or more public bodies, whether or not such public bodies, or any of them, shall have participated in the creation and establishment of the authority. Any such lease shall be a written instrument, executed by the authority as lessor, and by one or more public bodies, as a lessee or lessees, for a period of one (1) year (which may be from the date of the mortgage bonds, or from the date of acquisition or other establishment of the mass transit system or systems referred to therein), with exclusive options to the lessee or lessees to renew the same thereafter, from year to year, for one (1) year at a time, upon such rentals and other terms and provisions as will provide to the authority, in the event such lease is renewed by the lessee or lessees from time to time in accordance with such options, annual sums sufficient to provide for meeting the purposes of this subsection;

(4) General obligation bonds issued for the benefit of an authority, or revenue bonds or mortgage bonds issued by an authority may, in the discretion of the parties involved in the issuance thereof, be refinanced, whether at maturity or upon prior redemption in accordance with the terms thereof, by the issuance of bonds according to any of the financing plans herein authorized.

Section 5. KRS 96A.170 is amended to read as follows:

[(1)] An authority created and established under this chapter, together with its ownership, financing, operation, rates and charges for use of its services and facilities, rules and regulations, routes, schedules, *size and character of its equipment* and quality of service within its transit area shall be exempt from all jurisdiction of the department of transportation of the commonwealth, provided, however, that no new service may be instituted within or outside of the authority's transit area in competition with an existing certificated bus company without an application to and a grant of authority from the department of transportation as provided by KRS chapter 281, provided further that nothing in this section shall deny the department of transportation the authority to render such advice and assistance, including financial aid, engineering, planning and technical assistance, as it deems advisable, to enable an authority as created under this chapter to acquire, construct, expand, maintain, and operate a mass transit system as defined in this chapter and to establish regulations to promote local transit authorities.

[(2) No transit authority may engage in any charter bus service beyond the territorial limits of its transit area except a transit authority located in an urban-county government which may engage in intrastate charter bus service within twenty-five miles from the boundaries of the urban-county government.]

Section 6. KRS 96A.180 is amended to read as follows:

An authority *may* [shall] provide for insurance of its properties, and for workmen's compensation, and for public liability or any other risk or hazard arising from its activities, and may provide for the insuring of its officers or employes against any such risk or hazard, and the expense of obtaining such insurance, and of paying the premiums therefor from time to time, shall be borne by the authority and chargeable as an operating expense of the authority. [In the event it shall prove to be impossible to obtain any such insurance coverage from reliable and reputable insurance carriers at reasonable rates,] The board of an authority may provide for self insurance and may establish for that purpose such reserves as *it deems prudent* [may be within its ability to pay].

Section 7. KRS 189.265 is amended to read as follows:

(1) "Motor bus" shall mean any motor vehicle designed primarily for the transportation of passengers and having a seating capacity in excess of nine (9) passengers including the driver, *provided, however, that transit authorities created pursuant to KRS Chapter 96A are exempt from the provisions of this section.*

(2) No person shall operate on any highway, except such highways as may be designated by the commissioner of highways pursuant to subsection (3) of this section, any motor bus which exceeds, including any part of the body or load eleven (11) feet six (6) inches in height, forty (40) feet in length, twenty (20) tons in gross weight, or ninety-six (96) inches in width, exclusive of any required safety equipment.

(3) The commissioner of highways, in respect to highways which are a part of the state-maintained system, by official order may increase the maximum height of a motor bus to twelve (12) feet six (6) inches and the maximum width of a motor bus to 102 inches, exclusive of any required safety equipment and tire bulge due to loads, if in the opinion of the commissioner the increased height and width designated by him is justified by the width of such highways, provided, however, that any such increase in the width of motor

buses or designation of highways to be used by them shall not, in any way, exceed the federal law or regulations thereunder or jeopardize the allotment or qualification for federal aid funds of the Commonwealth of Kentucky.

HB 439, AN ACT relating to libraries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 173.300 TO 173.400 IS CREATED TO READ AS FOLLOWS:

(1) If a public library district is established by a county under KRS 173.710 to 173.800, the legislative body of any city in such county that has established a library under KRS 173.310(1) or (2) may dissolve the city library for the purpose of consolidating library services in the public library district. Such dissolution shall have the effect of removing any tax levied under KRS 171.310 for the specific purpose of establishing and maintaining the city library.

(2) If a city library is dissolved pursuant to subsection (1) of this section, the city legislative body shall immediately file an order of dissolution with the official who is responsible for collecting any tax levied under KRS 173.310. The official shall thereupon remove any tax levied under KRS 173.310, for the specific purpose of establishing and maintaining the city library, from the tax bills of the property owners of the city.

(3) After the satisfaction of any existing contractual obligations assumed in connection with the dissolved library, the assets of the library shall be transferred to the public library district, unless the terms of a gift held in trust prohibit such transfer.

Section 2. KRS 173.390 is amended to read as follows:

The title to money or property given to or for the use or benefit of a library shall be vested in the board of trustees, to be used according to the terms of the gift. Should a library be closed or services discontinued, it shall be the duty of the governmental unit to hold all library property and funds received by gift in trust to be used for library purposes, unless the terms of the gift permit use for other purposes *or unless such assets are transferred to a public library district pursuant to Section 1 of this Act.*

Section 3. KRS 173.725 is amended to read as follows:

(1) Upon the creation of a district, the fiscal court of each county in the district shall at once notify the department of libraries of the establishment of the district. The department of libraries shall then recommend to the county judge/executive of each county in the district the names of suitable persons from that county to be appointed to the board. The department of libraries in recommending persons to the county judge/executive for appointment to the board shall recommend twice as many persons for each county as the county is entitled to have members appointed, and the county judge/executive shall immediately make his selection from those recommended. Where the district consists of one (1) county, the county judge/executive shall appoint five (5) persons from that county as members. The department of libraries shall prescribe by regulation the number of board members when the district consists of more than one (1) county, provided that the board shall consist of not less than one (1) nor more than four (4) members from each county, each county having such number of members as the proportion of its population bears to the total population in the district, and that the total membership of the board consist of not less than five (5) members. Where a county joins an already established district, the department of libraries shall recommend to the county judge/executive of each county included in the new district twice as many persons for appointment to the board as the county is entitled to have appointed, and the county judge/executive shall select the members for his county from this list. The terms of the members of the counties composing the previously existing district shall expire immediately upon the organization of the new board.

(2) In making recommendations and appointments under subsection (1) of this section and KRS 173.730, the department of library and archives and the county judge/executive shall attempt to assure, to the extent permitted by the county's entitlement to board members, that the board includes members from different geographical areas, and from both cities and unincorporated areas, of the county.

The Committee Amendment No. 1 to **HB 439** is as follows:

Amend printed copy of **HB 439,** page 1, lines 3 and 4 as follows:

on line 3, by deleting the word "by";

and on line 4, by deleting the words "a county";

and on line 4, by deleting "KRS 173.710" and substituting therefor: "KRS 173.450".

HB 547, AN ACT relating to urban services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 179.470 is amended to read as follows:

(1) In counties containing a city of the third class, and not a city of the first class, any street or road located outside of the corporate limits of an incorporated city which is a street or road of a subdivision established by a recorded plat that dedicates the street or road to public use, shall be maintained by the fiscal court of the county in the same manner that roads established under KRS 178.115 are maintained, if the street or road is at least one thousand (1000) feet in length and at least fifty per cent (50%) of the lots abutting the street or road contain houses which are occupied, and the street or road has been or shall be so constructed as to meet the approval of the county road engineer or, if there is no county road engineer, the approval of the fiscal court, such approval being based upon the established standards for county road construction within the county.

(2) Notwithstanding the provisions of KRS 178.010 (2), in counties containing a city of the first class, any street or road located in the unincorporated area of the county or in a city of the fifth or sixth class, which is a street or road of a subdivision that dedicated the street or road to public use, may be maintained by the fiscal court of the county in the same manner as provided in subsection (1) and subject to the same conditions. In addition, street lights and other improvements already established may be maintained by the fiscal court. The county shall be reimbursed for the cost of such maintenance by the abutting property owner whose proportionate share of the cost of maintenance shall be added to the owner's county tax bill and collected in the same manner as county taxes.

(3) Notwithstanding the provisions of KRS 178.010(2), in counties containing a population between 80,000 and 115,000 and a city of the second class *or in counties containing a city of the fourth, fifth or sixth class and not a city of the first, second or third class*, any street or road in an unincorporated area or a city of the sixth class of the county, which is at least 200 feet in length and dedicated to public use, may be maintained by the fiscal court of the county in the same manner as provided in subsection (1) of this section. In addition, street lights, garbage collection, water and sewer services may be provided by the fiscal court. The county shall be reimbursed for the cost of such maintenance and services by the abutting property owner whose proportionate share of the cost of maintenance and services shall be added to the owner's county tax bill and collected in the same manner as county taxes. Further, upon the petition of fifty percent (50%) or more of the abutting property owners of the street or road the fiscal court may by proper resolution provide for the improvements in same manner as the improvements set forth in KRS 94.291 to 94.325.

(4) No street or road shall be accepted by fiscal court under the provisions of subsections (2) or (3) of this section for county maintenance unless twenty-five per cent (25%) of the abutting property owners petition the fiscal court for county maintenance. The fiscal court within thirty (30) days thereafter shall hold a public hearing on the petition. If fifty (50) per cent of the abutting property owners agree in writing to accept county maintenance the fiscal court of the county may maintain the road or street in the same manner as provided in subsection (2) or (3) of this section as applicable and subject to the same conditions.

The Committee on Elections and Constitutional Amendments reported **HB 301** with Committee Substitute attached thereto, **HB 178** with Committee Amendment attached thereto, **HB 295** and **HB 438** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 301, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.045 is amended to read as follows:

(1) The county board of elections shall, not later than September 20 each year, appoint for each precinct in the county two (2) judges, one (1) clerk, and one (1) sheriff of election, who shall hold their offices for one (1) year and until their successors are appointed. They shall serve in all elections held in the county during the year. The county executive committees of the two (2) political parties having representation on the state board of elections may, on or before September 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct except that in any precinct where

there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a less number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one authorized to submit the lists. If lists are submitted, one (1) judge at each voting place shall be selected from each list, and the sheriff shall be chosen from one (1) list and the clerk from the other. If no lists are submitted, the officers of the election shall be so selected and appointed that one (1) of the judges at each voting place is of one (1) political party and the other judge of a different political party, and there shall be a like difference at each voting place between the sheriff and the clerk of election. The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems such action is necessary.

(2) An election officer shall be a qualified voter of the precinct, except that where no qualified voter of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. An election officer shall not be a candidate to be voted for at the election. An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled in the same manner as provided for original appointments and the person appointed to fill the vacancy shall be of the same political party as his predecessor.

(3) If the county board of elections fails to appoint election officers, or if any such officer fails to attend for thirty (30) minutes after the time for commencing the election, or refuses to act, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.

(4) Each election officer shall be paid *an hourly rate equal to the then applicable nationally established hourly minimum wage* [a minimum of fifteen dollars ($15.00) per day, and such an additional amount as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding said election officers' pay,] for each election in which the election officer serves, to be paid by the county. For delivering election returns, the sheriff and the judge of the opposite political party from the sheriff shall receive in addition *sixteen (16) cents* [ten (10) cents] for each mile necessarily traveled from the place of voting to and from the place of delivery, to be paid by the county

Section 2. KRS 117.185 is amended to read as follows:

(1) Not less than four (4) days before the day of any election, the county board of elections shall call together the officers of election of each precinct and instruct them in the use of the voting machines. No election officer, upon being notified to appear for instruction, shall fail without just cause so to do. If any officer does so fail to appear, the board may appoint and instruct some other qualified person, from the same list from which the defaulting officer was appointed, to act in place of the defaulting officer.

(2) *Hourly* compensation in *an amount equal to the then applicable nationally established hourly minimum wage* [the minimum amount of five dollars ($5)] shall be paid by the county to the election officers for attending the instruction session.

The Committee Substitute to **HB 301** is as follows:

HB 301, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.045 is amended to read as follows:

(1) The county board of elections shall, not later than September 20 each year, appoint for each precinct in the county two (2) judges, one (1) clerk, and one (1) sheriff of election, who shall hold their offices for one (1) year and until their successors are appointed. They shall serve in all elections held in the county during the year. The county executive committees of the two (2) political parties having representation on the state board of elections may, on or before September 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct except that in any precinct where there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a less number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one authorized to submit the lists. If lists are submitted, one (1) judge at each voting place shall be selected from each list, and the sheriff shall be chosen from one (1) list and the clerk from the other. If no lists are submitted, the officers of the election shall be so selected and appointed that one (1) of the judges at each voting place is of one (1) political party

and the other judge of a different political party, and there shall be a like difference at each voting place between the sheriff and the clerk of election. The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems such action is necessary.

(2) An election officer shall be a qualified voter of the precinct, except that where no qualified voter of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. An election officer shall not be a candidate to be voted for at the election. An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled in the same manner as provided for original appointments and the person appointed to fill the vacancy shall be of the same political party as his predecessor.

(3) If the county board of elections fails to appoint election officers, or if any such officer fails to attend for thirty (30) minutes after the time for commencing the election, or refuses to act, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.

(4) Each election officer shall be paid *an hourly rate equal to the then applicable established state hourly minimum wage* [a minimum of fifteen dollars ($15.00) per day], and such an additional amount as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding said election officers' pay, for each election in which the election officer serves, to be paid by the county. For delivering election returns, the sheriff and the judge of the opposite political party from the sheriff shall receive in addition *sixteen (16) cents* [ten (10) cents] for each mile necessarily traveled from the place of voting to and from the place of delivery, to be paid by the county.

Section 2. KRS 117.185 is amended to read as follows:

(1) Not less than four (4) days before the day of any election, the county board of elections shall call together the officers of election of each precinct and instruct them in the use of the voting machines. No election officer, upon being notified to appear for instruction, shall fail without just cause so to do. If any officer does so fail to appear, the board may appoint and instruct some other qualified person, from the same list from which the defaulting officer was appointed, to act in place of the defaulting officer.

(2) *Hourly* compensation in *a minimum amount equal to the then applicable established state hourly minimum wage* [the minimum amount of five dollars ($5)] shall be paid by the county to the election officers for attending the instruction session.

Section 3. KRS 117.345 is amended to read as follows:

(1) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county treasurer except as otherwise provided by law. In any election when candidates for city office are voted upon, the city shall bear its proportionate share of the cost of the election.

(2) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, and within sixty (60) days following the date of the election, the county treasurer shall certify the amount of such expenses, indicating each item of expense separately, together with a statement of the number of precincts in the county, the date and kind of election to the state board of elections. The certification shall be filed within ninety (90) days after the election. Upon receipt of the certification and upon being satisfied as to the correctness thereof, the state board of elections shall issue its warrant upon the state treasurer in favor of the county treasurer for the amount of *one hundred twenty-five dollars ($125.00)* [eighty-five dollars ($85.00)] for each precinct in the county. All sums paid under this section shall be in addition to any sum paid by the state for ballot paper in elections.

(3) Payments to any county under the provisions of subsection (2) of this section shall be terminated if and whenever it fails to renew a lease, contract, or lease and option with the state property and buildings commission executed in connection with the acquisition of voting machines by the commission for the use of such county; and payments to any county shall be terminated whenever such county fails to pay any part of the rentals required for any effective period of the lease.

HB 178, AN ACT relating to election offenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 119 IS CREATED TO READ AS FOLLOWS:

(1) It shall be unlawful for any person with the specific intent of misleading voters to publish or distribute or cause to be published or distributed any campaign literature, sign, billboard, or other political advertisement in opposition to any candidate in any public primary or election if such person knows that any statement, charge, allegation, or other matter contained therein with respect to such candidate is false.

(2) Any violation of the provisions of subsection (1) of this section shall be punishable by a fine of not less than five hundred dollars ($500) nor more than ten thousand dollars ($10,000).

(3) The attorney general shall, either of his own volition or upon complaint, investigate alleged violations of subsection (1) of this section. If in the opinion of the attorney general a particular alleged violation warrants prosecution, he may initiate legal action in the name of the Commonwealth against the defendant in the circuit court of the county in which the defendant resides, in the circuit court of the county in which the alleged violation occurred, or upon consent of the parties in the Franklin Circuit Court.

Section 2. KRS 119.305 is amended to read as follows:

Except as provided in Section 1 of this Act, election officers shall give information of all infractions of the election laws to the grand jury or commonwealth's attorney. When there is reason to fear that an offender will escape out of the county before indictment, any election officer may procure his immediate apprehension.

The Committee Amendment No. 1 to **HB 178** is as follows:

Amend printed copy of **HB 178,** page 1, line 3 after "any" delete "person" and insert in lieu thereof "political candidate"

page 1, line 8 , delete "such person knows" and insert in lieu thereof "it is known;

page 1, line 10 after"false." insert "For purposes of this section "political candidate" shall include any candidate for public office, member of a candidate's campaign committee or campaign staff, or any other person who pays for or places the publication of the statement, charge or allegation.";

page 1, line 15, delete "shall";

page 1, line 16 after "complaint" delete ", and insert in lieu thereof "if determined by him to be necessary shall";

page 2, line 1 after "resides" delete "," and insert in lieu thereof "or";

page 2, line 2 after "occurred" delete "or upon consent of the parties in the Franklin Circuit Court".

HB 295, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 89.060 is amended to read as follows:

(1) In cities of the fourth class no person shall be elected to the office of mayor or commissioner without first having been nominated in the manner prescribed by this section except when vacancies occur as hereinafter provided. On the first Tuesday *in August* [after the fourth Monday in May] there shall be held a primary election. The primary election shall be conducted by the same officers chosen and acting in the same manner, with the same rights and duties, as in the regular election.

(2) Each applicant for nomination shall, at least fifty-five days before the day of the primary election, file with the county clerk a petition signed by at least twenty voters, in the following form:

"We the undersigned, qualified voters of the city of .... and residing each at the place indicated opposite his name, do hereby request that the name of .... be placed on the voting machine and special ballot as that of an applicant for nomination for the office of .... at the primary election to be held in our city on the first Tuesday *in August* [after the fourth Monday in May]. We know the applicant to be a qualified voter of the city and a person of good character; and he is, in our judgment, qualified for the duties of the office sought by him.

Name	Number	Street
....	....	....
....	....	....
....	....	........................"

No voter shall sign more than one petition with reference to each office that is to be filled. If a person signs more than one petition of applicants for nomination for mayor or signs the petitions of more than four applicants for nomination for commissioners, the name of that petitioner shall not be counted as a valid name on any petition.

(3) Immediately upon the expiration of the time for filing the petitions, the county clerk shall have published pursuant to KRS chapter 424, the names of the persons as they will appear upon the primary ballot labels and special ballots, and shall thereupon cause the primary ballot labels and special ballots to be printed.

(4) Subsection (3) of this section shall not apply if it appears, immediately upon the expiration of the time for filing petitions, that there are only two applicants for nomination for mayor and only eight or less for commissioners. In that case such applicants shall thereupon be nominated and no primary election shall be held for nomination for those offices, but the county clerk shall have their names placed on the voting machine and special ballot for the general election.

(5) The names of the applicants for each nomination shall be placed on the voting machine and special ballots for the primary election by lot. Above the names of the applicants for nomination for mayor shall be printed the words "Vote for one," and above the names of the applicants for nomination for commissioners shall be printed the words "Vote for four." No party designation or emblem of any kind, nor any sign indicating any applicant's political belief or party affiliation shall be used.

(6) The persons who are qualified to vote at the regular municipal election shall be qualified to vote at the primary election, and the law applicable to challenges made at a regular municipal election shall be applicable to challenges made at the primary election.

(7) The two applicants receiving the highest number of votes for nomination for mayor shall be thereby nominated. The eight applicants receiving the highest number of votes for nomination for commissioners shall be thereby nominated.

(8) The expenses of the primary election shall be paid by the city, when only city offices are on the ballot. When the ballot includes offices other than city offices, the city shall bear its proportionate share of the cost of the election.

(9) If a vacancy occurs in the nomination of an unopposed candidate such vacancy shall be filled by placing the name of the office on the ballot to be voted on by "write-in" votes. When a vacancy occurs in the nomination of an unopposed candidate and such vacancy does not create a less number of nominees than there are offices to be filled, such vacancy shall not be filled.

(10) If a vacancy occurs after the nominating primary the vacancy shall be filled by certifying the person who received the next highest vote count in the primary as nominated.

(11) If a vacancy occurs during the term of an elected city officer but beyond the filing deadline for the regular city primary but before the expiration of the three months interval required by section 152 of the Constitution such vacancy shall be filled by the filing of nonpartisan petition in the form provided for in subsection (2). The petition shall be filed fifty-five (55) days prior to the general election. The candidates nominated by petition shall be listed on the ballot under the office in which the vacancy has occurred.

Section 2. KRS 89.440 is amended to read as follows:

(1) No person shall be elected to the office of mayor or commissioner without first being nominated in the manner prescribed by this section except when vacancies occur as hereinafter provided. On the first Tuesday *in August* [after the fourth Monday in May] there shall be held a primary election. The primary election shall be conducted by the same officers chosen and acting in the same manner, with the same rights and duties, as in the regular election.

(2) Each applicant for nomination shall, at least fifty-five days before the day of the primary election, file with the county clerk a petition signed by at least one hundred (100) voters, in a city of the first or second class, or by at least fifty (50) voters in a city of the third or fourth class, in the following form:

"We the undersigned, qualified voters of the city of .... and residing each at the place indicated opposite his name, do hereby request that the name of .... be placed on the voting machine and special ballot as that of an applicant for nomination for the office of .... at the primary election to be held in our city on the first Tuesday *in August* [after the fourth Monday in May]. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of the office.

Name	**Number**	**Street**
....	....	....
....	....	....
....	....	........................"

No voters shall sign more than one (1) petition with reference to each office that is to be filled. If any voter signs more than one (1) petition of applicants for nomination for mayor or signs the petitions of more applicants for nomination for commissioners than the number of commissioners to be elected, the name of that petitioner shall not be counted as a valid name on any petition.

(3) Immediately upon the expiration of the time for filing petitions the county clerk shall have published as provided in KRS chapter 424, the names of the persons as they will appear upon the primary ballot labels and special ballots, and shall thereupon cause the primary ballot labels and special ballots to be printed.

(4) Subsection (3) of this section shall not apply if it appears, immediately upon the expiration of the time for filing petitions, that there are not more than two (2) applicants for nomination as mayor or

not more applicants for nomination for commissioner than twice the number of commissioners to be elected. In that case the applicants for mayor and the applicants for commissioner shall thereby be nominated, and no primary election shall be held for nomination for those offices.

(5) The names of the applicants for each nomination shall be placed on the voting machine as provided in KRS 89.460. Above the names of the applicants for nomination for mayor shall be printed the words, "Vote for one," and above the names of the applicants for nomination for commissioners shall be printed the words, "Vote for four," in a city of the second, third or fourth class. No party designation or emblem of any kind, nor any sign indicating any applicant's political belief or party affiliation shall be used.

(6) The persons who are qualified to vote at the regular municipal election are qualified to vote at the primary election, and the law applicable to challenges made at a regular municipal election is applicable to challenges made at the primary election.

(7) The votes shall be counted as provided in the general election laws, and after being so counted the result shall be published as provided in KRS chapter 424.

(8) The two (2) applicants receiving the highest number of votes for nomination for mayor shall be thereby nominated. The eight (8) applicants receiving the highest number of votes for nomination for commissioners are thereby nominated.

(9) The expenses of the primary election shall be paid by the city, when only city offices are on the ballot. When the ballot includes offices other than city offices, the city shall bear its proportionate share of the cost of the election.

(10) If a vacancy occurs in the nomination of an unopposed candidate such vacancy shall be filled by placing the name of the office on the ballot to be voted on by "write-in" votes. When a vacancy occurs in the nomination of an unopposed candidate and such vacancy does not create a less number of nominees than there are offices to be filled, such vacancy shall not be filled.

(11) If a vacancy occurs after the nominating primary the vacancy shall be filled by certifying the person who received the next highest vote count in the primary as nominated.

(12) If a vacancy occurs during the term of an elected city officer but beyond the filing deadline for the regular city primary but before the expiration of the three month interval required by section 152 of the Constitution such vacancy shall be filled by the filing of nonpartisan petition in the form provided for in subsection (2). The petition shall be filed fifty-five (55) days prior to the general election. The candidates nominated by petition shall be listed on the ballot under the office in which the vacancy has occurred.

Section 3. KRS 118.025 is amended to read as follows:

(1) Except as otherwise provided by law voting in all elections shall be by secret ballot on voting machines.

(2) The general laws applying to regular, special and primary elections shall apply to elections conducted with the use of voting machines, and all provisions of such laws with respect to the custody of ballot boxes shall apply, as far as applicable, to the custody of the voting machine.

(3) All primary elections for the nomination of candidates to be voted for at the next regular election shall be held on the first Tuesday *in August* [after the fourth Monday in May] of each year.

(4) The election of all officers of all governmental units shall be held on the first Tuesday after the first Monday in November.

HB 438, AN ACT relating to presidential preference primaries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 118.640 is amended to read as follows:

(1) The political parties in distributing authorized delegate votes among party candidates shall select one of the following methods of distribution:

(a) The candidates receiving the highest number of votes, provided each candidate receives at least fifteen percent (15%) of the total vote cast by his political party, shall be awarded a pro rata portion of the authorized delegate vote of his political party as follows:

1.[(1)] The total vote received by the candidates qualifying under the provisions of KRS 118.550 to 118.650 and subsections herein shall, when combined, be equal to one hundred percent (100%);

2.[(2)] Each such candidate shall share in the total percentage in direct proportion to the total vote received by him, mathematically determined to be the percentage of the aggregate vote which represents one hundred percent (100%);

3.[(3)] Each political party shall appropriate such percentage, as is determined by this section, to the total number of delegate votes as are allotted by the national committee of each party; *or* *(b) The candidates receiving the highest number of votes cast by his political party shall be awarded a pro rata portion of the authorized delegate vote of his political party in compliance with the state party rules for that party.* [and]

(2)[(4)] Each political party shall, on the first ballot at its national convention, cast this commonwealth's vote for the candidates as determined by the primary and calculated under this section. Provided, however, that in the event of the death or withdrawal of a candidate receiving votes under this section prior to the tabulation of the first ballot, any delegate votes allocated to such candidate shall be considered uncommitted. Withdrawal shall mean notice in writing by the candidate to the chairman of the Kentucky delegation prior to the first ballot.

The Committee on Health and Welfare reported **HB 263** with Committee Substitute attached thereto, **HB 362** with Committee Amendment attached thereto, and **SB 53** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 263, AN ACT relating to handicapped persons receiving assistance at self-service gas pumps.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 207 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "handicapped person" means an individual who has a physical disability which makes operating a self-service gas pump difficult or impossible.

(2) When any handicapped person requests assistance operating a self-service pump at a gasoline station, the station employes shall provide assistance. Any handicapped person who is assisted by a station employe in using the self-service pump shall not be charged the full-service price.

(3) Any person who violates the provisions of this Act shall be fined up to $250 for each offense.

The Committee Substitute to **HB 263** is as follows:

HB 263, AN ACT relating to handicapped persons receiving assistance at self-service gas pumps.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 207 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Handicapped person" means an individual who has a physical disability which makes operating a self-service gas pump difficult or impossible and who has been issued a special license plate under the provisions of KRS 186.041 or 186.042 or who has been issued, by a city, county, urban-county government or by the state, a rear view mirror motor vehicle tag indicating that the person is handicapped.

(b) "Split-island facility" means any service station operating and offering to the public both "full-service" and "self-service" gasoline pumps.

(2) When any handicapped person requests assistance operating a self-service pump at a gasoline station, the station employes shall provide assistance. Any handicapped person who is assisted by a station employe in using the self-service pump shall not be charged the full-service price.

(3) This section shall apply only to service stations with split-island facilities.

(4) Any person who violates the provisions of this section shall be fined up to $250 for each offense.

HB 362, AN ACT relating to certification of emergency medical technicians.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 211.964 is amended to read as follows:

The department for human resources shall adopt rules and regulations relating to emergency medical technicians. The regulations may include, but need not be limited to, the classification and certification of emergency medical technicians, instructors, instructor-trainers, and students and trainees; examinations; standards of training and experience; curricula standards; issuance, renewal, suspension, denial, and revocation of certificates, and such other reasonable standards or regulations as may be necessary for the protection of public health and safety in the delivery of emergency medical services, *including a requirement that no person who has been convicted of a felony shall receive certification or recertification as an emergency medical technician.*

The Committee Amendment No. 1 to **HB 362** is as follows:

Amend printed copy of **HB 362,** page 1, line 17, by adding the following sentence:

This section shall not apply to any person convicted of a felony provided such person was certified as an emergency medical technician before the effective date of this Act, and whose employer submits to the department an affidavit stating that such person possesses a satisfactory work record and recommends retention of certification.

SB 53, AN ACT relating to public assistance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 205.560 is amended to read as follows:

(1) The scope of medical care for which the department for human resources undertakes to pay shall be designated and limited by regulations promulgated by said department, pursuant to the provisions hereof. Within the limitations of any appropriation therefor, the provision of complete upper and lower dentures to recipients of medical assistance program benefits who have their teeth removed by a dentist resulting in the total absence of teeth shall be a mandatory class in the scope of medical care. Payment to a dentist of any such medical assistance program benefits for complete upper and lower dentures shall only be provided on the condition of a preauthorized agreement between an authorized representative of the medical assistance program and the dentist prior to the removal of such teeth. The selection of another class or other classes of medical care shall be recommended by the council to the secretary for human resources after taking into consideration, among other things, the amount of federal and state funds available, the most essential needs of recipients, and the meeting of such need on a basis insuring the greatest amount of medical care as defined in KRS 205.510 consonant with the funds available including but not limited to the following categories; except where such aid is for the purpose of obtaining an abortion, induced miscarriage or induced premature birth unless, in the opinion of a physician such procedures are necessary for the preservation of the life of the woman seeking such treatment or except an induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or her unborn child:

(a) Hospital care, including drugs, and medical supplies and services during any period of actual hospitalization;

(b) Nursing home care, including medical supplies and services, and drugs during confinement therein on prescription of a physician, dentist, or podiatrist;

(c) Drugs, nursing care, medical supplies and services during the time when a recipient is not in a hospital but is under treatment and on the prescription of a physician, dentist, or podiatrist;

(d) Physician, podiatric, dental and optometric services;

(e) Nonprofit neighborhood health organizations or clinics where some or all of the medical services are provided by licensed registered nurses or by advanced medical students presently enrolled in a medical school accredited by the Association of American Medical Colleges and where such students or licensed registered nurses are under the direct supervision of a licensed physician who rotates his services in this supervisory capacity between two or more of the nonprofit neighborhood health organizations or clinics specified herein.

(2) Payments for hospital care, nursing home care, and drugs or other medical, ophthalmic, podiatric and dental supplies shall be on bases which relate the amount of the payment to the cost of providing such services or supplies. It shall be one of the functions of the council to make recommendations to the department for human resources with respect to such bases for payment.

(3) No vendor payment shall be made unless the class and type of medical care rendered and the cost basis therefor has first been designated by regulation.

(4) The rules and regulations of the department for human resources shall require that a written statement including the required opinion of a physician shall accompany any claim for reimbursement for abortions, induced miscarriages or premature births. This statement shall indicate the procedures used in providing such medical services.

(5) The range of medical care benefit standards provided and the quality and quantity standards and the methods for determining cost formulae for vendor payments within each category of public assistance

and other recipients shall be uniform for the entire state, and shall be designated by regulation promulgated within the limitations established by the Social Security Act and federal regulations. The amount of payments for units of services need not be uniform for the entire state but may vary from county to county and from city to city, as well as among hospitals, based on the prevailing cost of medical care in such locale and other local economic and geographic conditions, *except that the amount of payments for similar services rendered by physicians within the same specialty of medical practice shall be equal regardless of the physician's place of residence or place of practice, so long as the place of practice is within the boundaries of the state.*

(6) Nothing in this section shall require that any payment be made for optometric services or ophthalmic supplies.

The Committee on Banking and Insurance reported **HB 106** with Committee Substitute attached thereto, **HB 289** with Committee Substitute attached thereto, **HB 491, HB 498,** and **SB 109** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 106, AN ACT relating to fire prevention and protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 227.200 to 227.400 IS CREATED TO READ AS FOLLOWS:

(1) The state fire marshal, any deputy fire marshal, the commissioner of the bureau of state police, and any arson investigator appointed pursuant to KRS 227.275 may request any insurance company investigating a fire loss of real or personal property to release any information in its possession relative to that loss. The company shall release the information and cooperate with any official authorized to request such information pursuant to this section. The information shall include, but is not limited to:

(a) Any insurance policy relevant to a fire loss under investigation and any application for such a policy;

(b) Policy premium payment records;

(c) History of previous claims made by the insured for fire loss;

(d) Material relating to the investigation of the loss, including statements of any person, proof of loss, and any other relevant evidence.

(2) If an insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means, the company shall notify the state fire marshal and the commissioner of the bureau of state police and furnish them with all relevant material acquired during its investigation of the fire loss, cooperate with and take such action as may be requested of it by any law enforcement agency, and permit any person ordered by a court to inspect any of its records pertaining to the policy and the loss.

(3) In the absence of fraud or malice, no insurance company, or person who furnishes information on its behalf, shall be liable for damages in a civil action or subject to criminal prosecution for any oral or written statement made or any other action taken that is necessary to supply information required pursuant to this section.

(4) The officials and departmental and agency personnel receiving any information furnished pursuant to this section shall hold the information in confidence until such time as its release is required pursuant to a criminal or civil proceeding.

(5) Any official referred to in subsection (1) of this section may be required to testify as to any information in his possession regarding the fire loss of real or personal property in any civil action in which any person seeks recovery under a policy against an insurance company for the fire loss.

(6) As used in this section, "insurance company" includes the Kentucky FAIR plan as established in Subtitle 35 of KRS Chapter 304.

(7) (a) No person shall purposely refuse to release any information requested, pursuant to subsection (1) of this section, by the state fire marshal, a deputy fire marshal, commissioner of the bureau of state police, or an arson investigator appointed pursuant to KRS 227.275.

(b) No person shall purposely refuse to notify the state fire marshal or commissioner of the bureau of state police of a fire loss required to be reported pursuant to subsection (2) of this section.

(c) No person shall purposely refuse to supply the state fire marshal or commissioner of the bureau of state police with pertinent information required to be furnished pursuant to subsection (2) of this section.

(d) No person shall purposely fail to hold in confidence information required to be held in confidence by subsection (4) of this section.

The Committee Substitute for **HB 106** is as follows:

HB 106, AN ACT relating to fire prevention and protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) As used in this Act, "authorized agencies" shall mean:

(a) State commissioner of insurance;

(b) The state fire marshal when authorized or charged with the investigation of fires at the place where the fire actually took place;

(c) The state attorney general when authorized or charged with the investigation of fires at the place where the fire actually took place;

(d) The commissioner of the bureau of state police;

(e) The commonwealth's or county attorney responsible for prosecutions in the county where the fire occurred;

(f) The federal bureau of investigation or any other federal agency having the authority to investigate federal offenses arising from arson; and

(g) Any United States' attorney's office authorized or charged with investigation or prosecution of the fire in question or the violation of any statute arising from said fire.

(2) As used in this Act, "relevant" means information having any tendency to make the existence of any fact that is of consequence to the investigation or determination of the issue more probable or less probable than it would be without the evidence.

(3) For the purposes of this Act, information will be "deemed important" if such information is requested by an authorized agency.

(4) As used in Section 2(5) of this Act, "immune" shall mean that neither a civil action nor a criminal prosecution may arise from any action taken pursuant to Section 2, 3 or 4 of this Act where actual malice, fraud or criminal intent on the part of an insurer, authorized agency, or person acting on their behalf, against the insured is not present.

(5) "Insurer," as used in this Act, shall be defined in the same manner as it is defined in KRS 304.1-040, and shall include the Kentucky FAIR plan and reinsurance association, and all authorized persons acting on behalf of an insurer.

SECTION 2. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any authorized agency may, in writing, require an insurer at interest to release to the requesting agency any or all relevant information or evidence deemed important to the authorized agency which the insurer may have in its possession, concerning a loss or potential loss due to fire of suspicious or incendiary origin. Relevant information may include, without limitation herein:

(a) Pertinent insurance policy information pertaining to such fire loss and any application for such a policy;

(b) Policy premium payment records;

(c) History of previous claims made by the insured;

(d) Material relating to such loss or potential loss.

(2) (a) When an insurer has reason to believe that a fire loss, or potential fire loss, in which it has an interest may be of other than accidental cause, then, for the purpose of notification and for having such fire loss, or potential fire loss, investigated, the insurer shall, in writing, notify any authorized agency or agencies and provide them with any or all material developed from the insurer's inquiry into the fire loss, or potential fire loss.

(b) When an insurer provides any one of the authorized agencies with notice of a fire loss, or potential fire loss, pursuant to Section 2(2)(a) of this Act, it shall be sufficient notice for the purpose of this Act.

(c) Nothing in Section 2(2) of this Act shall abrogate or impair the rights or powers created under Section 2(1) of this Act.

(3) The authorized agency provided with information pursuant to Section 2(1) or 2(2) of this Act and in furtherance of its own purposes, may release or provide such information to any of the other authorized agencies.

(4) Any insurer providing information to an authorized agency or agencies pursuant to Section 2(1) or 2(2) of this Act shall have the right to request information relevant to a claim by an insured, and receive, within a reasonable time not to exceed thirty (30) days, the information requested.

(5) Any insurer, or person acting in its behalf, or authorized agency which releases information, whether oral or written, pursuant to Section 2(1) or 2(2) of this Act shall be immune from any liability arising out of a civil action, or penalty resulting from a criminal prosecution arising therefrom.

SECTION 3. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any authorized agency and insurer described in Section 1 or 2 of this Act who receives any information furnished pursuant to this Act, shall hold the information in confidence until such time as its release is required pursuant to a criminal or civil proceeding.

(2) Any authorized agency referred to in Section 1 of this Act, or their personnel, may be required to testify in any litigation in which the insurer at interest is named as a party.

SECTION 4. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) No person, insurer or authorized agency shall intentionally or knowingly refuse to release any information requested pursuant to Section 2(1) or 2(3) of this Act.

(2) No person or insurer shall intentionally or knowingly refuse or fail to provide authorized agencies relevant information pursuant to Section 2(2) of this Act.

(3) No person or insurer shall fail to hold in confidence information required to be held in confidence by Section 3 of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall not be construed to affect or repeal any ordinance or resolution of any county or city of any class relating to fire prevention or the control of arson, but the jurisdiction of the state fire marshal and the commissioner of the bureau of state police in such county or city is to be concurrent with that of the county and city authorities.

SECTION 6. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Whoever violates Section 4(1), 4(2) or 4(3) of this Act shall upon conviction be punished by a fine not to exceed five hundred dollars ($500).

HB 289, AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.13-030 is amended to read as follows:

(1) Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated;

(b) Rates shall not be excessive, inadequate or unfairly discriminatory;

(c) Due consideration shall be given:

1. To past and prospective loss experience within and outside this state;
2. To the conflagration and catastrophe hazards;
3. To a reasonable margin for underwriting profit and contingencies;
4. To dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers;
5. To past and prospective expenses both country wide and those specially applicable to this state;
6. To all other relevant factors within and outside this state; and
7. In the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent three-year period for which such experience is available;

(d) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or group of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(e) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks which may have a probable effect upon losses or expenses;

(f) Notwithstanding other provisions in this section, motor vehicle insurance rates shall be determined solely on the basis of the driving record of the insured and factors such as age, sex, marital status, and place of residence shall not be used to determine motor vehicle insurance rates.

(2) Except to the extent necessary to meet the provisions of paragraph (b) of subsection (1) of KRS 304.13-030, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(3) Rates made in accordance with this section may be used subject to this subtitle.

The Committee Substitute to **HB 289** is as follows:

HB 289, AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 20 IS CREATED TO READ AS FOLLOWS:

All insurers writing private passenger automobile liability insurance shall provide a twenty percent (20%) discount on an insured's premium if the insured's driving record for the past two (2) years does not include any moving traffic violations or accidents for which the insured was at fault or contributorily negligent.

HB 491, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.17-305 is amended to read as follows:

(1) Whenever any policy of health insurance issued in this state provides for reimbursement for any service which is within the lawful scope of practice of an optometrist duly licensed as provided in KRS Chapter 320, the insured or other person entitled to benefits under such policy shall be entitled to reimbursement for such services, whether such services are performed by a duly licensed physician, osteopath, or optometrist, notwithstanding any provision contained in such policy, or if the policy so provides, payment may be made directly to the provider of the services.

(2) Whenever any policy of health insurance issued in this state provides for reimbursement for any service which is within the lawful scope of practice of a chiropractor duly licensed under KRS Chapter 312, the insured or other person entitled to benefits under such policy shall be entitled to reimbursement for such services, whether such services are performed by a duly licensed physician, osteopath, or chiropractor, notwithstanding any provision contained in such policy, or if the policy so provides, payment may be made directly to the provider of the services.

Section 2. KRS 304.18-095 is amended to read as follows:

(1) Whenever any policy or group insurance or blanket health insurance issued in this state provides for reimbursement for any service which is within the lawful scope of practice of an optometrist duly licensed as provided in KRS Chapter 320, the insured or other person entitled to benefits under such policy shall be entitled to reimbursement for such services, whether such services are performed by a duly licensed physician, osteopath, or optometrist, notwithstanding any provision contained in such policy, or if the policy so provides, payment may be made directly to the provider of the services.

(2) Whenever any policy or group insurance or blanket health insurance issued in this state provides for reimbursement for any service which is within the lawful scope of practice of a chiropractor duly licensed under KRS Chapter 312, the insured or other person entitled to benefits under such policy shall be entitled to reimbursement for such services, whether such services are performed by a duly licensed physician, osteopath, or chiropractor, notwithstanding any provision contained in such policy, or if the policy so provides, payment may be made directly to the provider of the services.

Section 3. KRS 304.32-157 is amended to read as follows:

(1) Whenever any contract, plan or policy issued in this state by any corporation subject to the provisions of this subtitle provides for reimbursement for any service which is within the lawful scope of practice of an optometrist duly licensed as provided in KRS Chapter 320, the insured or other person entitled to benefits under such contract, plan or policy shall be entitled to reimbursement for such services, whether such services are performed by a duly licensed physician, osteopath, podiatrist, or optometrist, notwithstanding any provision contained in such policy, or if the policy so provides, payment may be made directly to the provider of the services.

(2) Whenever any contract, plan or policy issued in this state by any corporation subject to the provisions of this subtitle provides for reimbursement for any service which is within the lawful scope of

practice of a chiropractor duly licensed under KRS Chapter 312, the insured or other person entitled to benefits under such contract, plan or policy shall be entitled to reimbursement for such services, whether such services are performed by a duly licensed physician, osteopath, podiatrist or chiropractor, notwithstanding any provision contained in such policy, or if the policy so provides, payment may be made directly to the provider of the services.

HB 498, AN ACT relating to savings and loan associations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 289.461 is amended to read as follows:

(1) Savings and loan associations are authorized to make loans secured by a first lien on real estate and at a rate or rates not in excess of that provided by KRS 360.010 and 360.025.

(2) *Savings and loan associations are authorized to make home improvement loans and loans to finance the purchase of mobile homes, provided that said loans comply with the "Rules and Regulations for the Federal Savings and Loan System" (Title 12, Code of Federal Regulations). A home improvement loan or a mobile home loan may be made, with or without security, for such a period of time and under such contract provisions as are authorized by the above federal regulations. Savings and loan associations may also invest in loans insured under Title I and Title II of the National Housing Act, loans insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended, or loans under Chapter 37 of Title 38, United States Code. Where there are no interest rate limitations established under the applicable federal law or regulations, savings and loan associations shall be subject to the same interest rate limitations on loans as any bank, trust company, or combined bank and trust company under the provisions of KRS 287.214. A savings and loan association is authorized to charge and receive interest in advance, with service charges, delinquency charges, and rebate computations being identical to those authorized for a bank, trust company or combined bank and trust company under KRS 287.215.* [(a) Savings and loan associations may make property improvement loans and loans to finance the purchase of mobile homes not secured by a first lien on real estate, at variable rates of interest, but not in excess of those rates provided by Title I of the Federal Housing Act of 1934, as amended, for insured loans; or not in excess of those rates permitted for property improvement loans under the Servicemen's Readjustment Act of 1944, as amended, for guaranteed loans; or in the case of loans not so insured or not so guaranteed, the rates may not exceed $6.00 per $100.00 per annum and such charges may be made in advance; provided that such property improvement loans shall be repayable in substantially equal installments over a period not exceeding the period of time provided by Title I of the Federal Housing Act of 1934, as amended, and the Servicemen's Readjustment Act of 1944, as amended.

(b) In addition to the charge permitted by this subsection, no further amount shall be directly or indirectly charged, contracted for, or received on any such property improvement loan, except lawful fees actually paid to a public officer for filing, recording or releasing any instrument securing the loan and delinquent charges as hereinafter set out.

(c) Delinquency charges may be made not to exceed five cents for each dollar of each installment more than ten days in arrears, and only one delinquency charge shall be made on any one installment. No delinquency charge shall exceed five dollars on any one installment. In addition to such delinquency charges, attorney's fees not exceeding fifteen percent of the unpaid balance shall be taxed as costs and court costs may be collected, provided that the note is referred to an attorney not a salaried employe of the holder for collection.

(d) The association shall permit the borrower to repay his loan in whole or in part at any time. If a loan is paid in full prior to maturity, the association institution shall make a rebate at a rate not less than six percent per annum of the amount paid in advance of the due date, if the maximum financing charge permitted hereunder has been taken. If a lesser charge has been taken, the rebate shall be at not less than a proportional rate. Provided, however, the lending institution shall be permitted in computing rebates to retain a minimum charge of ten dollars to cover its acquisition costs and where the amount of credit for anticipation of payment is less than one dollar, no rebate need be made.

(e) In the case of loans made under this subsection the savings and loan association shall not take any assignment, pledge or transfer of wages to be earned or paid in the future, nor any first lien or first mortgage on real estate as security, except such lien as is created by virtue of a judgment or decree.

(f) No association making loans under this subsection shall split up or divide a loan or permit any person to become obligated to it under more than one contract of loan at the same time for the purpose of obtaining a greater charge than would otherwise be permitted by this subsection.

(g) Every note evidencing a loan made under this subsection shall contain the following information and provisions: The original principal amount of the loan excluding any charge made under this subsection;

a statement of the total charge for the loan; the amount and the date of each installment; the date of final maturity; an agreement that the borrower may repay the loan in whole or in part at any time, and that if the loan is paid in full before maturity, the borrower will receive a refund of the unearned portion of the charge as required by this subsection. At the time the loan is made, the association shall give the borrower either a copy of the note, or a statement of the transaction containing the provisions and information required to be contained in the note. The association shall deliver a receipt for each payment.

(h) In advertising for loans subject to this subsection, every advertisement shall conform to the following requirement: Any statement of the amount of the loan shall be the original principal amount showing in detail any charge made under this subsection.

(i) KRS 288.420, 288.620 and 360.010 shall not apply to loans made under authority of this subsection, but said sections shall remain in full force and effect for all other purposes. Nothing in this subsection shall be construed to impair the validity or effect of said sections with respect to loans other than those made pursuant to this subsection nor shall anything in this section be construed to impair the validity or effect of KRS 360.025.

(j) Any contract of loan in the making or collection of which any act shall have been done which constitutes a willful violation of any provisions of this subsection shall be void, and the savings and loan association shall have no right to collect or receive any interest or charges whatsoever on such loan, but the unpaid principal of the loan shall be paid in full to the savings and loan association.

(k) Provided, however, that the ability of savings and loan associations to make such loans as set forth in this subsection, which are not insured or guaranteed as herein set forth, shall be contingent and conditioned upon the savings and loan association being fully insured by the Federal Savings and Loan Insurance Corporation as provided by Title IV of the National Housing Act of 1934, as amended.]

SB 109, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 304.15-300 to 304.15-360 IS CREATED TO READ AS FOLLOWS:

Within three months after default of any premium payment on any life insurance policy which has a cash surrender value, the insurer shall notify the insured in writing of the cash surrender value and of the insured's options as to the application of the cash surrender value as provided in the policy.

The Committee on Education reported **HJR 40, HB 48** with Committee Substitute attached thereto, **HB 151, HB 333,** and **HB 436** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HJR 40, A JOINT RESOLUTION requiring the Kentucky school building authority to comply with legislative intent.

WHEREAS, the General Assembly established the Kentucky school building authority in 1978 for the purpose of aiding those districts that are financially unable to construct needed school facilities without assistance; and

WHEREAS, the intent of the General Assembly in establishing the Kentucky school building authority is clearly stated in KRS 157.800; and

WHEREAS, the stated intent is to supply resources for construction beyond that provided by the minimum foundation program, to further equalize educational opportunity among districts, and to reduce the backlog of construction needs; and

WHEREAS, KRS 157.825 states the specific duty of the authority shall be "to review and act upon applications consistent with KRS 157.800"; and

WHEREAS, neither the legislative intent nor the enabling legislation authorizes the school building authority to act as a holding company for the sale of bonds issued pursuant to KRS Chapter 162;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the Kentucky school building authority cease all activities not specifically authorized by KRS 157.800 and withdraw from any existing agreements with school districts not authorized by that statute.

HB 48, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.020 is amended to read as follows:

The council on higher education in Kentucky shall:

(1) Engage in analyses and research to determine the overall needs of higher education in the Commonwealth.

(2) Develop and transmit to the governor comprehensive plans for public higher education which meet the needs of the Commonwealth. The plans so developed shall conform to the respective functions and duties of the state colleges and universities, the community colleges, and the University of Kentucky as provided by statute. The council shall for all purposes of federal legislation relating to planning be considered the "single state agency" as that term may be used in such federal legislation; provided, however, that when such federal legislation requires additional representation on any such "single state agency" the council on higher education shall establish such advisory groups as may be necessary to satisfy such federal legislative or regulatory guidelines.

(3) Determine the amount of entrance and/or registration fees and approve the qualifications for admission to the public institutions of higher education. In determining the entrance and/or registration fees for non-Kentucky residents, the council shall consider the fees required of Kentucky students by institutions in adjoining states, the resident fees charged by other states, the total actual per student cost of training in the institutions for which the fees are being determined, and the ratios of Kentucky students to non-Kentucky students comprising the enrollments of the respective institutions, and such other factors as the council may in its sole discretion deem pertinent.

(4) Consider the requirements and review the budget requests, which shall be prepared in the manner and submitted by the institutions to the council by dates prescribed by the council, of the institutions of public higher education as to their appropriate level of support considering the functions of the institutions and their respective needs. The individual institutions' budget requests, including tuition and registration fee schedules for all categories of students, along with council recommendations shall be submitted to the governor through the executive department for finance and administration not later than November 15 of each odd numbered year.

(5) Review and approve all capital construction projects the cost of which exceeds one hundred thousand dollars ($100,000) approved by the governing boards of the state-supported institutions of higher education prior to the institutions' submission of such projects to the executive department for finance and administration and/or state property and buildings commission.

(6) Require reports from the executive officer of each institution it deems necessary for the effectual performance of its duties.

(7) Publish annually a report of the educational and financial affairs of the institutions and disseminate other information relating to higher education.

(8) Define and approve the offering of all higher education associate, baccalaureate, graduate, and professional degree or certificate programs in the state-supported higher education institutions; review proposals and make recommendations to the governor regarding the establishment of new state-supported community colleges and new four-year colleges. Provided, nothing in KRS 164.010, 164.020, 164.125, and 164.290 to 164.295 shall be construed to grant the council on higher education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.

(9) Approve the teacher education programs in the public institutions.

(10) Elect a chairman annually from the voting membership and appoint an executive director and such staff as may be needed and fix their compensation without limitation of the provisions of KRS chapter 18 and KRS 64.640 subject to the approval of the commissioner of personnel and the secretary of the executive department for finance and administration.

(11) Constitute the representative agency of the Commonwealth in all matters of higher education of a general and statewide nature which are not otherwise delegated to one or more institutions of higher learning. Such responsibility may be exercised through appropriate contractual relationships with individuals or agencies located within or without the Commonwealth. The authority includes but is not limited to contractual arrangements for programs of research, specialized training, and cultural enrichment.

(12) Develop procedures for the approval of a designated receiver to provide for the maintenance of student records of the public institutions of higher education and the colleges as defined in KRS 164.945, and proprietary institutions as defined in KRS 165A.310 which cease to operate after the effective date of this Act. Procedures shall include assurances that, upon proper request, copies of student records shall be

made available within a reasonable length of time for a minimum fee not to exceed actual reproduction and mailing expenses.

The Committee Substitute to **HB 48** is as follows:

HB 48, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.020 is amended to read as follows:

The council on higher education in Kentucky shall:

(1) Engage in analyses and research to determine the overall needs of higher education in the Commonwealth.

(2) Develop and transmit to the governor comprehensive plans for public higher education which meet the needs of the Commonwealth. The plans so developed shall conform to the respective functions and duties of the state colleges and universities, the community colleges, and the University of Kentucky as provided by statute. The council shall for all purposes of federal legislation relating to planning be considered the "single state agency" as that term may be used in such federal legislation; provided, however, that when such federal legislation requires additional representation on any such "single state agency" the council on higher education shall establish such advisory groups as may be necessary to satisfy such federal legislative or regulatory guidelines.

(3) Determine the amount of entrance and/or registration fees and approve the qualifications for admission to the public institutions of higher education. In determining the entrance and/or registration fees for non-Kentucky residents, the council shall consider the fees required of Kentucky students by institutions in adjoining states, the resident fees charged by other states, the total actual per student cost of training in the institutions for which the fees are being determined, and the ratios of Kentucky students to non-Kentucky students comprising the enrollments of the respective institutions, and such other factors as the council may in its sole discretion deem pertinent.

(4) Consider the requirements and review the budget requests, which shall be prepared in the manner and submitted by the institutions to the council by dates prescribed by the council, of the institutions of public higher education as to their appropriate level of support considering the functions of the institutions and their respective needs. The individual institutions' budget requests, including tuition and registration fee schedules for all categories of students, along with council recommendations shall be submitted to the governor through the executive department for finance and administration not later than November 15 of each odd numbered year.

(5) Review and approve all capital construction projects the cost of which exceeds one hundred thousand dollars ($100,000) approved by the governing boards of the state-supported institutions of higher education prior to the institutions' submission of such projects to the executive department for finance and administration and/or state property and buildings commission.

(6) Require reports from the executive officer of each institution it deems necessary for the effectual performance of its duties.

(7) Publish annually a report of the educational and financial affairs of the institutions and disseminate other information relating to higher education.

(8) Define and approve the offering of all higher education associate, baccalaureate, graduate, and professional degree or certificate programs in the state-supported higher education institutions; review proposals and make recommendations to the governor regarding the establishment of new state-supported community colleges and new four-year colleges. Provided, nothing in KRS 164.010, 164.020, 164.125, and 164.290 to 164.295 shall be construed to grant the council on higher education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.

(9) Approve the teacher education programs in the public institutions.

(10) Elect a chairman annually from the voting membership and appoint an executive director and such staff as may be needed and fix their compensation without limitation of the provisions of KRS chapter 18 and KRS 64.640 subject to the approval of the commissioner of personnel and the secretary of the executive department for finance and administration.

(11) Constitute the representative agency of the Commonwealth in all matters of higher education of a general and statewide nature which are not otherwise delegated to one or more institutions of higher learning. Such responsibility may be exercised through appropriate contractual relationships with individuals or agencies located within or without the Commonwealth. The authority includes but is not limited to contractual arrangements for programs of research, specialized training, and cultural enrichment.

(12) Develop procedures for the approval of a designated receiver to provide for the maintenance of student records of the public institutions of higher education and the colleges as defined in KRS 164.945, and institutions operating pursuant to KRS 165A.310 which offer collegiate level courses for academic credit, which cease to operate after the effective date of this Act. Procedures shall include assurances that, upon proper request, subject to federal and state laws and regulations, copies of student records shall be made available within a reasonable length of time for a minimum fee.

HB 151, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.060 is amended to read as follows:

Twenty (20) school days, or days in which teachers are actually employed in the schoolroom, shall constitute a school month in the common schools. The legal holidays designated by the state board of education to be observed may include the first Tuesday after the first Monday in November of each year and shall be counted as school days. No teacher shall teach on Saturdays except in cases of emergency and then only upon authorization of the state board for elementary and secondary education. Except for children attending kindergarten, readiness classes, first grade classes, and the handicapped, who may attend a program of less than six (6) hours per day under policy adopted by the local school district board of education and approved by the state board for elementary and secondary education, six (6) hours of actual school work shall constitute a school day. The daily session, including recesses and intermissions, shall not exceed nine (9) hours. A local board of education, with the approval of the state board for elementary and secondary education, may extend the regular school day, when necessary, to make up days missed as a result of emergency, providing that the extended school day shall not exceed nine (9) hours. If a school district has adopted an extended school day before such emergency, the time in excess of the minimum school day may, with the approval of the state board for elementary and secondary education, be used to make up days missed as a result of emergency. ***Days so made up shall be used only for the purpose of meeting the minimum term as required by KRS 158.070 and no pupil attendance shall be counted for such days.***

HB 333, AN ACT relating to higher education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.320 is amended to read as follows:

(1) The board of regents for Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, Kentucky State University and Northern Kentucky University shall each consist of eight (8) members appointed by the governor, one (1) member of the teaching faculty, and one (1) member of the student body *and one (1) member of the staff* of the respective university or college. The members of the board shall select a chairman annually.

(2) The terms of appointed members shall be for four (4) years, and until their successors are appointed and qualified. Such appointments shall be made by the governor within thirty (30) days after the expiration of the term of each member. If the governor should fail to make any such appointment within thirty (30) days after the expiration of the term of any member, the remaining members of the board of regents of the particular university or college whose terms shall not have expired, shall make such appointment within sixty (60) days after the expiration of such term.

(3) Not more than two (2) appointed members of any board shall be residents of one (1) county; nor more than four (4) of the appointed members of any board shall belong to the same political party. Membership on the board shall not be incompatible with any other state office.

(4) Appointments to fill vacancies shall be made in the same manner and within the same time after the occurrence of the vacancy as regular appointments. The person appointed shall hold the position for the unexpired term only.

(5) Each appointed member of the board shall, at the first meeting following his appointment, take an oath to faithfully discharge his duties.

(6) Each member of the board shall serve for the term for which he is appointed and until his successor is appointed and qualified.

(7) The faculty member shall be a teaching or research member of the faculty of his respective university or college of the rank of assistant professor or above. He shall be elected by secret ballot by all faculty

members of his university or college of the rank of assistant professor or above. The faculty member shall serve for a term of three (3) years and until his successor is elected and qualified. The faculty member shall be eligible for re-election, but he shall not be eligible to continue to serve as a member of such board if he ceases being a member of the teaching staff of the university or college. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original election.

(8) The student member shall be the president of the student body of the university or college on whose board of regents he is to serve. If the president of the student body is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member.

(9) The staff member shall be a non-teaching employe of the university who has permanent employe status. He shall be elected by secret ballot by all staff members of his respective university. The staff member shall serve for a term of three (3) years and until his successor is elected and qualified. The staff member shall not be eligible to continue to serve as a member of such board if he ceases being a member of the staff of his university. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original elections. The staff member shall have the right to vote on all matters except that of staff compensation.

HB 436, AN ACT relating to retired teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.605 is amended to read as follows:

Retired teachers may do part-time or substitute teaching in the public schools for the equivalent of *one hundred (100)* [seventy-five (75)] days in any one (1) school year and receive compensation for same without reduction in retirement annuities. The board of trustees by regulation may establish fractional equivalents of a day of teaching service.

Calendar

HB 389, HB 370, HB 415, HB 504, HB 505, HB 46, HB 316, HB 392, HR 29, HR 60, HCR 42, HCR 57, HB 20, HB 432, and **HB 319** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

Representative B. Richardson moved that the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Romines moved the adoption of the following Legislative Citation No. 33:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Triple "L" Club, a non-denominational organization of Senior Citizens whose ultimate goal is to "Go on learning, loving and serving". Your motto *L*ive *L*ong and *L*ike It" is an eternal challenge for all generations, especially our youth in providing a set of values that will prove for them a great inspiration. Your wisdom, cooperation, teamwork, enthusiasm and dedication are noteworthy and your ability to work individually and in group participation is far-reaching. God has richly blessed us in giving us You, His finest creation and most productive citizens. This prestigious body salutes you and may your Golden Years continue to be most rewarding. (Sponsored by Representative Romines)

Agreed.

HB 464, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Floor Amendment No. 1 to **HB 464.** Agreed.

Representative B. Richardson moved that **HB 464** as amended be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Weinberg, Williams, Worthington, Wright, Yates. Nays 6-Cawood, Clarke, J., Lewis Maynard, VanHorn, Wilborn.

HB 464, as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 464,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 13, HB 111,** and **HB 135** had been examined and found correctly enrolled. Said bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 111 and **HB 135** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

HJR 43 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Romines moved that **HJR 43** be passed.

On the roll call the vote was yeas 81-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Petty, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright. Nays 6-Allen, Foster, Fryman, Holbrook, Layman, Turner.

HJR 43 was passed and the title agreed to.

Representative Romines moved that the vote by which **HJR 43** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 57 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **SB 57** be passed.

On the roll call the vote was yeas 65-Adams, Arnold, Bendl, Blair, Blythe, Brinkley, Brown, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, Layman, Little, Lundergan, May, Maynard, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Pearman, Plummer, Rapier, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Stone, Stumbo, Thomason, Tobin, Weinberg, White, Wilborn, Worthington, Yates. Nays 24-Allen, Bennett, Blandford, Boswell, Bringer, Bruce, Dawahare, DeMarcus, Deskins, Donnermeyer, Fryman, Johnson, Lewis, List, Mann, McBee, Overstreet, Petty, Rattliff, Thomas, Turner, VanHorn, Williams, Wright.

SB 57 was passed and the title agreed to.

Representative Richards moved that the vote by which **SB 57** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 126, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rattliff moved the adoption of the Committee Substitute to **HB 126.** Agreed.

Representative moved that **HB 125,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, List, Little, Lundergan, May, Maynard, McBee, McKinney, McNutt, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 5-Barrows, Cawood, J. Clarke, Mann, Wilborn.

HB 126, by way of Committee Substitute, was passed and the title agreed to.

HB 359, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the committee Substitute to **HB 359.** Agreed.

Representative Priddy moved that **HB 359,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 79-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, Richardson, B., Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomason, Tobin, Van Horn, Weinberg, White, Wiliams, Worthington, Wright, Yates. Nays 5-Blythe, DeFalaise, Dunn, Maynard, Turner.

HB 359, by way of Committee Substitute, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 359,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 360 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved that **HB 360** be passed.

Representative DeFalaise moved that **HB 360** be laid on the Clerk's desk.

On the roll call the vote was yeas 73-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, Maynard, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Yates. Nays 3-Foster, Heleringer, Rattliff.

The motion that **HB 360** be laid on the Clerk's desk was adopted.

HB 377, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved that **HB 377,** as amended, be passed.

On the roll call the vote was yeas 79-Adams, Arnold, Barrows, Bennett, Blair, Blandford, Boswell, Brinkley, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clarke, Craddock, Crupper, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Kidd, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, Overstreet, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 16-Allen, Bendl, Blythe, Bronger, Burch, P. Clark, DeMarcus, Freibert, Hancock, Holbrook, Holloway, Layman, LeMaster, List, O'Brien, Pearman.

HB 377, as amended, was passed and the title agreed to.

Representative Van Horn moved that the vote by which **HB 377,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 46 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Davenport moved that **SB 46** be passed.

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates.

SB 46 was passed and the title agreed to.

Representative Davenport moved that the vote by which **SB 46** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 21, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed.

Representative Bruce moved that the House concur in the following Senate Amendment to **HB 21:**

Amend printed copy of **HB 21** as follows:

Page 1, line 5, after the word "information" insert the words "on its workmen's compensation experience only";

Page 1, lines 7, 8, delete the words "broken down by its nationwide and Kentucky insurance writings" and insert in lieu thereof "certified and reported on a net basis with respect to reinsurance for nationwide experience and direct basis with respect to Kentucky experience";

Page 2, line 18, delete the words "the last six (6) months for"

Page 2, line 20, delete "March" and insert in lieu thereof "August".

Agreed.

Representative Bruce moved that **HB 21,** as amended by the Senate, be passed.

On the roll call the vote was yeas 73-Adams, Arnold, Bendl, Bennett, Blair, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, O'Brien, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Romines, Sale, Schmidt, Stone, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams, Worthington, Yates. Nays 0.

HB 21, as amended by the Senate, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 21,** as amended by the Senate, was passed be reconsidered and said motion be postoned indefinitely. Agreed.

HB 98, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed.

Representative Worthington moved that the House concur in the following Senate Amendment to **HB 98:**

After the word "commission", by inserting "and to the governor,"; and after the word "made", by inserting the following: "but no later than fifteen days prior to the actual expenditure of additional funds".

Agreed.

Representative Worthington moved that **HB 98,** as amended by the Senate, be passed.

On the roll call the vote was yeas 78-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Clarke, Craddock, Crupper, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Romines, Sale, Schmidt, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Wright, Yates. Nays 6-Blythe, Burnette, Clapp, Curd, Gray, McNutt.

HB 98, as amended by the Senate, was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 98,** as amended by the Senate, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 99** had been examined and found correctly enrolled. **SB 99** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day (continued)

HCR 4, with Senate Amendments attached thereto, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed.

Representative Worthington moved that the House concur in the following Senate Amendment No. 1 to **HCR 4:**

Amend printed copy of **HCR 4** as follows:

Page 2, following line 19, by inserting the following language:

"Section 3. The Committee shall conduct a comprehensive study and review of alternatives for the management, handling and disposal of radioactive wastes generated in the Commonwealth and recommend a plan for dealing with such wastes.";

and by renumbering subsequent sections accordingly.

Agreed.

Representative Worthington moved that **HCR 4,** as amended by the Senate, be passed.

Amend printed copy of **HCR 4** as follows:

Page 3, line 15, by changing the fiture "$20,000" to "$50,000".

Agreed.

Representative Worthington moved that **HCR 4,** as amended by the Senate, be passed.

On the roll call the vote was yeas 46-Arnold, Barrows, Bendl, Bennett, Brinkley, Bronger, Brown, Bruce, Cawood, Cyrus, Dawahare, DeMarcus, Donnermeyer, Dunn, Farrow, Freibert, Heleringer, Hines, Holbrook, Isler, Kenton, Kidd, Little, Lundergan, Mann, May, McKinney, Moberly, Nett, Noe, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Romines, Sale, Stone, Stumbo, Thomason, Van Horn, Williams, Worthington. Nays 35-Adams, Allen, Blair, Blythe, Boswell, Burnette, Caldwell, Clapp, Clark, Clarke, Craddock, Crupper, Curd, DeFalaise, Deskins, Ellington, Foster, Fryman, Gray, Hancock, Head, Jones, Layman, LeMaster, Lewis, List, McNutt, Morris, P. Richardson, Schmidt, Tobin, Turner, White.

HCR 4, as amended gy the Senate, was defeated.

Representative B. Richardson moved that the vote by which **HCR 4,** as amended by the Senate, was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

HJR 8, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed.

Representative Noe moved that the House concur in the following Senate Amendment No. 1 to **HJR 8:**

Amend printed copy of **HJR 8** as follows:

Page 1, line 1, before the word coal, insert the word Kentucky, making the line to read: Section 1. That Kentucky industries use Kentucky coal for

Page 2, line 13, before the word coal insert the word Kentucky, making the line to read: Section 2. That state-owned boilers utilize Kentucky coal

Agreed.

Representative Noe moved that **HJR 8,** as amended by the Senate, be passed.

On the roll call the vote was yeas 78-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Rapier, Richards, Richardson, B., Richardson, P., Riner, Romines, Sale, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Yates. Nays 2-Adams, Jr. Clarke.

HJR 8, as amended by the Senate, was passed and the title agreed to.

Representative Noe moved that the vote by which **HJR 8,** as amended by the Senate, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Speaker Pro Tempore Hancock presiding.

Representative Farrow moved that **HB 534** be withdrawn.

On the roll call the vote was yeas 44-Barrows, Blair, Blythe, Boswell, Brown, Caldwell, Clark, Crupper, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hines, Isler, Kidd, Lewis, List, Little, Mann, McBee, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Richardson, P., Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Yates. Nays 0.

The motion that **HB 534** be withdrawn was adopted.

Representative Stumbo moved the adoption of the following Legislative Citation No. 34:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Mr. W. L. Reed, Drift, Kentucky for your continuous and meritious service to the Coal Industry of the Eastern Kentucky coal fields and as a distinguished citizen of the Commonwealth of Kentucky on his seventy-seventh birthday on February 26, 1980. The General Assembly proudly recognizes Mr. Reed for his contribution to many worthwhile civic endeavors in and around his Floyd County home and we extend to him our very best wishes for many years to come. (Sponsored by Representative Stumbo)

Agreed.

Representative Foster moved the adoption of the following Legislative Citation No. 35:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes Miss Renee Brizendine, daughter of Mr. and Mrs. James Brizendine, Todd County, Kentucky, as a loyal and dedicated member of the Senior Class at Todd County Central High School. Congratulations for the recogition to be given you at the forty-second Farm Awards Luncheon, Saturday, March 1 at the Hyatt Regency Hotel, Louisville, Kentucky, as one of the thirty-one winners for outstanding achievement in the area of agriculture and conservation. Your participation and leadership in school and community activities have been commendable: Kentucky Farm Bureau State Queen in 1979, State 4-H Fashion Revue Winner, Kentucky Miss United Teenager Pagent Representative, Cheerleader and membership in the school Band. We extend to you our very best wishes. (Sponsored by Representative Foster)

Agreed.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 678, by Representatives Farrow, Hancock, and Foster: AN ACT relating to business development corporations.

HB 679, by Representatives Priddy and Holloway: AN ACT relating to forfeiture of property.

HB 680, by Representative Wilborn: AN ACT relating to bonded indebtedness.

HB 681, by Representative Crupper, Farrow, Rapier, and P. Richardson: AN ACT relating to roads.

HR 77, by Representative Brinkley: A RESOLUTION adjourning in honor of the 1980 United States Olympic Hockey Team:

HCR 78, by Representatives Burnette and Dawahare: A CONCURRENT RESOLUTION directing the Legislative Research Commission to conduct a study of the use of imported coal by Kentucky power generation plants.

Posting of bills and Resolution for Consideration (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Education: **HB 605, HB 469, HB 470, HB 479.**

Elections and Constitutional Amendments: **HB 501, HB 340.**

Banking and Insurance: **HB 535, HB 603.**

The Clerk announced the following Bills and Resolutions have been withdrawn from Committee consideration:

Health and Welfare: **HB 215, HB 403, HB 404.**

Motions, Petitions, and Communications (continued)

Representative Bendl moved that **HB 86** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 23-Barrows, Bendl, Bennett, Brown, Burch, Caldwell, Cawood, Craddock, Curd, Davenport, DeFalaise, Foster, Hines, Holbrook, Isler, Kidd, LeMaster, McNutt, Moberly, Nett, Stumbo, Van Horn, Wilborn. Nays 0.

The motion that **HB 86** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative Boswell moved that rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all prperly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

Representative Donnermeyer, **HB 377;** Representative Craddock, **HB 532;** Representative Ellington, **HB 532;** Representative Holloway, **HB 532;** Representative O'Brien, **HB 532;** Representative Plummer, **HB 532;** Representative Schmidt, **HB 532;** Representative Turner, **HB 532.**

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 9 to the Committee Substitute to **HB 86,** by Representative Riner, is as follows:

Amend printed copy of Committee Substitute for **HB 86** page 1, by deleting lines 10, 11, 12, 13, and 14 in their entirety.

Floor Amendment No. 1 to the Committee Substitute to **HB 126,** by Representative Burnette, is as follows:

Amend printed copy of Committee Substitute for House Bill 126 as follows:

on page 2, line 25, by inserting a bracket before "one" and after "than" and on page 2, line 26, by inserting the following after "(5)" "*Nor more than ten (10)*"

and on page 2, line 26, by inserting a bracket before "or"

and on page 3, line 3, by inserting a bracket after "both", before the period

and on page 3, line 2, by inserting after the period the following: "*Terms of imprisonment for any subsequent offense imposed under this subsection shall not be suspended and the person subject to the sentence mandated for any subsequent offense shall not be eligible for parole, probation, conditional discharge, or other form of early release during the mandatory term imposed.*"

and on page 3, by inserting after line 13 the following:

"*(6) Any person who knowingly and unlawfully sells or transfers manijuana to any person under eighteen (18) years of age shall be confined in the penitentiary for not less than five (5) nor more than ten (10) years. Terms of imprisonment imposed under this subsection shall not be suspended and the person subject to the sentence mandated by this subsection shall not be eligible for parole, probation, conditional discharge, or other form of early release during the mandatory term imposed pursuant to this subsection.*"

and on page 3, line 14, by deleting "*(6)*" and inserting in lieu thereof "*(7)*"

and on page 3, line 26, by deleting "*(7)*" and inserting in lieu thereof "*(8)*"

and on page 8, line 4, by deleting "*(8)*" and inserting in lieu thereof "*(9)*"

and on page 10, line 22, by deleting "*(9)*" and inserting in lieu thereof "*(10)*"

and on page 11, line 4, by deleting "*(10)*" and inserting in lieu thereof "*(11)*"

and on page 11, line 12, by deleting "*(11)*" and inserting in lieu there of "*(12)*".

Floor Amendment No. 1 to **HB 362,** by Representative Heleringer, is as follows:

Amend printed copy of **HB 362,** page 1, line 17, by adding the following sentence:

"*This section shall not apply to any person convicted of a felony when said person has been officially pardoned or has had his civil rights restored to him.*"

Floor Amendment No. 1 to **HB 408,** by Representative Overstreet, is as follows:

Amend printed copy of **HB 408,** page 1, line 11, as follows:

Line 11, delete all the underlined on line 11 until the word "until";

Line 14, after the word issued add the words "*The three day waiting period shall be waived if both applicants are above the age of 60 years.*"

Floor Amendment No. 1 to **HB 446,** by Representative Thomason, is as follows:

Amend printed copy of **HB 446,** page 1, by deleting lines 1 through 21 in their entirety and on page 2, by deleting lines 1 through 12 in their entirety and substituting in lieu thereof the following:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 416 IS CREATED TO READ AS FOLLOWS:

(1) The owner of any tract or parcel of land on which his residence is located, who has no means of ingress or egress to any public road or highway, may acquire by condemnation pursuant to the Eminent Domain Act of Kentucky a convenience right of way in order to attend courts and elections and discharge other duties required of him by law; such right of way shall not exceed in width thirty (30) feet over the lands intervening and lying between such tract or parcel of land and the public road nearest or most convenient thereto.

(2) The right of condemnation conferred in subsection (1) of this section shall not exist in any of the following situations:

(a) Where the current owner or any of his predecessors in title purchased a tract or parcel of land having no means of ingress or egress to a public road or highway;

(b) Where the current owner or any of his predecessors in title sold a part of a tract or parcel of land, leaving the part retained without any means of ingress or egress to a public road or highway; or

(c) Where the current owner or any of his predecessors in title has had a part of his land taken by condemnation, the part not taken has not means of ingress or egress to a road or highway, and the current owner or any of his predecessors in title has been compensated, by reason of the condemnation, for such loss of ingress or egress to a public road or highway."

Floor Amendment No. 4 to **HB 462,** by Representative B. Richardson, is as follows:

Amend printed copy of **HB 462,** page 6, line 15, after "authority," by adding "*if requested by the legislative body of the city or the fiscal court of the county,*".

Floor Amendment No. 1 to **HB 498,** by Representative Holbrook, is as follows:

Amend printed copy of **HB 498,** page 2, line 4, by deleting "*KRS 287.214*", and substituting therefore "*KRS 287.215*".

The following meetings were announced:

Elections and Constitutional Amendments: Special meeting, March 3, 1:00 p.m., Room 3C.

State Government: Thursday, 10:00 a.m., Room 9.

Labor and Industry: Thursday, 12 noon, Room 307.

Natural Resources and Environment: Thursday, 12 noon, Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Thursday, February 28, 1980.

On the roll call the vote was yeas 50-Allen, Bennett, Blair, Boswell, Brown, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Donnermeyer, Dunn, Foster, Freibert, Fryman, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Kidd, Layman, LeMaster, Lundergan, May, McBee, Moberly, Patrick, Pearman, Petty, Priddy, Rapier, Richards, Richardson, B., Richardson, P., Riner, Schmidt, Stone, Stumbo, Turner, White, Wilborn, Worthington. Nays 7-Bronger, Deskins, Guenthner, Jones, Overstreet, Romines, Van Horn.

The motion to adjourn was adopted.

THURSDAY, FEBRUARY 28, 1980

THIRTY-THIRD LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Dennis Jones, First Presbyterian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative DeMarcus.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 27, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 682, by Representative Smith: AN ACT relating to financing mass transportation programs.

HB 683, by Representative Smith: AN ACT changing the classification of the City of Mount Washington, in Bullitt County.

HB 684, by Representative Pearman: AN ACT relating to taxation of motor vehicles.

HB 685, by Representative Heleringer: AN ACT relating to lobbyists.

HCR 79, by Representative Isler and Petty: A CONCURRENT RESOLUTION directing the Legislative Research Commission to conduct a study to determine the constitutionality of providing financial aid from local and state taxes to Christian schools.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 674.**

Banking and Insurance: **HB 669.**

Business Organizations and Professions: **HB 671.**

Counties and Special Districts: **HB 672.**

Education: **HB 677.**

Elections and Constitutional Amendments: **HB 670.**

Energy: **HB 666, HCR 78.**

Judiciary: **HB 676, HB 667, HB 668, HB 673, HB 679.**

Natural Resources and Environment: **HB 675.**

State Government: **HB 678, HB 680.**

Transportation: **HB 681.**

Report of Committees

The Committee on Rules reported **HB 164, HB 315, HB 316, HB 364, HB 389, HB 392, HB 505, HR 29, HR 32, HCR 57,** and **HR 60** posted for passage in Orders of the Day, February 29, 1980.

The Committee on Agriculture and Small Business reported **HB 105,** with Second Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered delivered to the Committee on Rules.

HB 105, AN ACT relating to the registration of agricultural land and mineral rights.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 246 IS CREATED TO READ AS FOLLOWS:

(1) The commissioner of agriculture shall on or before August 1, 1980, and regularly thereafter, submit to the legislative research commission a comprehensive report providing detailed information provided the department by the United States secretary of agriculture under the agricultural foreign investment disclosure act of 1978 (Public Law 95-460). The report shall contain the names of foreign investors owning agricultural land in the Commonwealth of Kentucky, the county in which the land is located, and the number of acres owned by that person. The commissioner's report also shall address the scope and accuracy of the data, and provide any recommendations he deems in order to assure the data is complete and accurate.

(2) The commissioner of agriculture is authorized to request each county agricultural stabilization and conservation service office to furnish him a copy of information filed with the office under Public Law 95-460, at such time as the information is conveyed to the United States secretary of agriculture.

(3) The commissioner of agriculture shall cause to be printed and distributed to county court clerks signs which cite the basic provisions of Public Law 95-460, to the extent such signs are not otherwise provided by the federal government.

(4) Each county court clerk and property valuation administrator shall bring to the attention of the county agricultural stabilization and conservation service office any property partially or wholly owned by foreign interests, if they believe such property has not been duly reported to the agricultural stabilization and conservation service office pursuant to Public Law 95-460.

(5) After receipt of the report from the commissioner, the legislative research commission shall forward copies to the appropriate interim committee for their review.

The Committee on Agriculture and Small Business reported **HB 472, HB 568, SB 7,** and **SB 76** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 472, AN ACT relating to tobacco seeds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 250.040 is amended to read as follows:

(1) Except as provided in subsections (2) and (3) of this section, every lot of agricultural seeds, when in bulk or a container of one (1) pound or more, or in the case of tobacco seed of one-twelfth (1/12) ounce or more, shall have affixed, in a conspicuous place on the exterior of the container of the seeds, a label in plainly written or printed English, in a manner prescribed by the director, stating:

(a) The name of the kind and variety for each agricultural seed component present in excess of five percent (5%) of the whole and the percentage by weight of each. Provided, that the director may by regulation omit the requirement for variety designation for those kinds of seeds not commonly sold by variety name, and if the person labeling the seed does not know and is unable to determine the variety, the term "Variety Unknown" may be used in lieu of the variety designation. Hybrids shall be labeled as hybrids;

(b) Lot number or other lot identification;

(c) Percentage by weight of all weed seeds;

(d) Percentage by weight of inert matter;

(e) Percentage by weight of agricultural seeds other than those required to be on the label;

(f) The name and rate of occurrence per pound of noxious weed seed present; and

(g) For each named agricultural seed;

1. Percentage of germination, exclusive of hard seed;
2. Percentage of hard seeds, if present;
3. Origin, state or foreign country, if known. If the origin is unknown, this fact shall be stated;
4. The calendar month and year in which the germination test was completed; and
5. Name and address of the person who labeled the seed, or who sells, offers, or exposes the seed for sale within this state.

(2) The seal of certification of the Kentucky Seed Improvement Association approved by the director of the Kentucky agricultural experiment station shall be accepted in lieu of the written or printed tag or label required herein.

(3) *It shall be unlawful to sell or offer for sale in Kentucky tobacco seed for seeding purposes unless the seed has been certified by the Kentucky seed improvement association or by the agency responsible for certification in the state, province, or country where the seed originated, and then only when the standards there are in no way lower than those of the Kentucky seed improvement association* [A gummed label approved by the director of the Kentucky agricultural experiment station shall be accepted on packages of uncertified tobacco seed in lieu of the written or printed tag or label required herein. Each package of uncertified tobacco seed shall have clearly written or printed on the container the name and address of the seedsman, kind and variety of seed, approximate percentage of pure seed, approximate percentage of germination and the month and year the germination test was made. This test shall be made during the nine (9) month period just prior to the date the seed is offered for sale].

(4) It shall be unlawful to sell or offer for sale tobacco seed that have been grown in one year, and commingled with those grown in any other year.

Section 2. KRS 250.070 is amended to read as follows:

(1) The labels specified in KRS 250.040 shall be purchased from the director or his agent. Prices of the labels shall be twelve (12) cents each for one hundred (100) pound labels, ten (10) cents each for seventy-five (75) pound labels, eight (8) cents each for fifty (50) pound labels and four (4) cents each for twenty-five (25) pound labels for alfalfa, sweet clover and all grass and clover seeds or mixtures of any of these, and eight (8) cents each for one hundred (100) pound labels, six (6) cents each for seventy-five (75) pound labels, four (4) cents each for fifty (50) pound labels, and two (2) cents each for twenty-five (25) pound labels, for all other agricultural seeds except tobacco. [The gummed labels for uncertified tobacco seed shall be furnished for two (2) cents each.]

(2) The director may permit a seedsman, labeler of seed, to provide his own labels in lieu of labels furnished by the director and pay a quarterly fee equivalent to that which would have been paid had the director furnished labels. The procedure for obtaining a permit and the responsibilities of the permit holders shall be established by regulation promulgated by the director. Permits shall be revoked if the director determines that the permit holder is not complying with the provisions of KRS 250.020 to 250.190.

Section 3. This Act shall become effective July 1, 1982.

HB 568, AN ACT relating to purebred cattle shows.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 246.250 is amended to read as follows:

(1) As used in this section unless the context otherwise requires:

(a) "Department" means the department of agriculture.

(b) "Commissioner" means the commissioner of agriculture.

(c) "Purebred" means registered by the appropriate association, organization or authority.

(d) Neither "show" nor "exhibition" nor "show, exhibition and sale" shall include those held as a part of or in connection with any county or other local fair.

(2) The department shall aid, encourage, foster and promote the development and the improvement of the purebred cattle industry in Kentucky. To that end, the department shall promote, aid and assist in the promotion of annual shows and sales of purebred cattle in Kentucky with the object and purpose of establishing Kentucky as one of the greatest centers in the United States for the breeding, producing, raising, exhibition, showing and sale of purebred cattle. The general assembly shall make appropriations from the general expenditure fund for each fiscal year to effectuate that purpose.

(3) From the appropriations made pursuant to subsection (2) of this section, six thousand dollars ($6,000) shall be used and applied in each fiscal year in each of the following events: Not less than four

thousand dollars ($4,000) nor more than five thousand dollars ($5,000) shall be used and applied to the payment of premiums for the largest purebred Aberdeen-Angus, purebred Hereford, purebred Shorthorn, purebred Polled Hereford, purebred Charolaise, purebred Jersey, purebred Holstein-Friesian, purebred Guernsey, purebred Ayrshire, purebred Simmental, purebred Chianina, purebred Maine Anjou, Murray Grey, purebred Brown Swiss, purebred Limousin, purebred Santa Gertrudis, [and] purebred Beefalo, *and purebred Red Poll* show and sale which may be held in Kentucky in each fiscal year which is open on equal terms and conditions to all breeders in the United States who are eligible to enter any of the above shows and sales. The remainder shall be used and applied by the commissioner for appropriate advertising of the shows and sales in such livestock journals and other advertising media as the commissioner may determine.

(4) Any show, exhibition and sale of purebred cattle to be eligible to receive the appropriations must provide that the qualifications for entries in any class is equal to the qualifications for entries in all other classes receiving appropriations and that entries in all classes are open upon equal terms to the breeders of such cattle in all of the states of the United States, and the Dominion of Canada may be included. The commissioner shall determine with respect to each of the breeds of cattle which show, exhibition and sale is the largest to be held in Kentucky in each year and, in making that determination, he may consider shows, exhibitions and sales which have been held in Kentucky in any previous year and in any previous two-year period.

(5) The remainder of the appropriations made pursuant to subsection (2) of this section for each fiscal year shall be used and applied by the department as follows, to-wit: At least five thousand dollars ($5,000) shall be used to add premium money otherwise available for shows and exhibitions of purebred dairy cattle to be held in Kentucky at the places the commissioner determines; and the remaining balance shall be used and applied by the department in advertising and in promoting the purebred dairy cattle shows and exhibitions in such livestock journals and other advertising media as the commissioner may determine.

(6) No show or exhibition and no show, exhibition and sale of any purebred cattle shall qualify for or be eligible to receive any part of an appropriation made under this section unless and until there is provided and made available from other sources an amount for premiums equal to or in excess of the respective appropriations made available pursuant to this section for the show or exhibition or show, exhibition and sale, or unless there is provided and made available from some other source an amount for premiums equal to or in excess of the amount which the commissioner may allocate to or for the show or exhibition or show, exhibition and sale under the authority vested in him by this section.

SB 007, AN ACT AN ACT relating to noxious weeds along rights of way.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 176.051 is amended to read as follows:

(1) The bureau of highways may keep all state rights of way free of the species of grass, sorghum halepense, commonly known as Johnson grass, and the species of weed commonly known as giant foxtail, both of which are noxious weeds, and the thistles cirsium arvense and carduus nutans, commonly known as Canada thistles and nodding thistles, respectively, *and multiflora rose*; and, upon written request from any abutting property owner engaged in a program of eradication of Johnson grass, giant foxtail, Canada thistles, [or] nodding thistles *or multiflora rose*, shall cooperate with such abutting owner by eradicating such Johnson grass, giant foxtail, Canada thistles, [or] nodding thistles, *or multiflora rose* from abutting state rights of way. The bureau *shall* [may] take steps to eradicate such grass, weed or thistles by the use of chemicals or any other means found to be effective by the bureau.

(2) The bureau of highways shall inform property owners of the availability of said eradication program. In carrying out this responsibility the bureau shall, in April of every year, advertise in each county, pursuant to the provisions of KRS Chapter 424 that the program is available. The bureau shall stipulate in such advertisement the place and manner in which an interested property owner may make a written request for inclusion in the program.

SB 076, AN ACT relating to feeding garbage to swine, poultry, or other animals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 257 IS CREATED TO READ AS FOLLOWS:

(1) No person shall feed or permit the feeding of garbage to swine or furnish garbage for the purpose of feeding swine or any animals or poultry on any farm or any premises where swine are kept. However,

nothing in this section shall be construed to apply to any person who feeds garbage produced in his own household to animals or poultry kept on the premises where he resides.

(2) The secretary of the department for human resources shall include in that portion of the food service code issued pursuant to KRS 219.041 relating to proper disposal of solid waste the provisions of subsection (1) of this section. When the department for human resources and local health departments in their regular inspection of food service establishments have reason to suspect that there is a violation of subsection (1) of this section, such suspected violation shall be reported in writing within forty-eight (48) hours to the office of the state veterinarian in the department of agriculture. The state veterinarian shall investigate such suspected violation and take appropriate action to enforce the provisions of this Act.

(3) Nothing in this section shall apply to bakeries or bakery products or dairies or dairy products.

Section 2. KRS 257.990 is amended to read as follows:

(1) Any person who violates any regulation promulgated by the board under the provisions of this chapter, for the violation of which no other penalty is provided in this section, shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for the first offense; for each subsequent offense he shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or be imprisoned not more than thirty (30) days, or both.

(2) Any person who violates KRS 257.040 shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000).

(3) Any person who violates KRS 257.050 shall be fined not less than two hundred dollars ($200) nor more than five hundred dollars ($500) for the first offense; for each subsequent offense he shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), and shall be imprisoned for not less than sixty (60) days nor more than one hundred and twenty (120) days.

(4) Any person who violates subsection (1) of KRS 257.060 shall be fined not less than five hundred dollars ($500) nor more than one thousand five hundred dollars ($1,500) for the first offense; for each subsequent offense he shall be fined not less than one thousand dollars ($1,000) nor more than two thousand dollars ($2,000), and shall be imprisoned for not less than sixty (60) days nor more than one hundred and twenty (120) days.

(5) Any person who violates subsection (2) of KRS 257.060 shall be fined not more than one thousand dollars ($1,000).

(6) Any person who violates any of the provisions of KRS 257.080, subsection (2) of KRS 257.160, or 257.180 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(7) Any person who fails to comply with subsection (1) of KRS 257.090 shall be civilly liable for all damages that occur by spreading the disease and shall be fined not less than one hundred dollars ($100) nor more than two hundred dollars ($200).

(8) Any person who fails to comply with paragraph (c) of subsection (2) of KRS 257.090 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(9) Any person who violates any ruling of the board or who hinders any agent of the board in carrying out the duties assigned to him, or any officer who refuses to enforce the provisions of this chapter when called upon by the board to do so, or any other person who in any way attempts to hinder or obstruct the board in carrying out the provisions of this chapter shall be fined not less than two hundred dollars ($200) nor more than five hundred dollars ($500) for each offense.

(10) Any person who violates any provision of KRS 257.330 to 257.350 or the regulations made thereunder for carrying out their provisions, or who fails or refuses to comply with or intends to deceive or who answers or represents falsely in response to any requirement of KRS 257.330 to 257.350, or who wilfully interferes with the livestock sanitary division of the department of agriculture, or state veterinarian, their employes or agents, in the carrying out of their duties provided in KRS 257.330 to 257.350, shall be guilty of a misdemeanor. Any person who shall violate any of the provisions of KRS 257.330 to 257.350 shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not to exceed five hundred dollars ($500).

(11) Any person, firm or corporation who shall violate any provision of KRS 257.370 to 257.460 or any rule or regulation made under authority thereof shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not to exceed five hundred dollars ($500) for each offense.

(12) Any person who resists, obstructs, interferes with, threatens, attempts to intimidate, or in any other manner interferes with an officer under KRS 257.490 or who willfully refuses to obey his lawful orders shall be fined not more than one thousand dollars ($1,000) or imprisoned in the county jail not more than 30 days, or both.

(13) Any livestock dealer who violates any provision of KRS 257.530 shall be fined twenty-five dollars ($25) for the first offense and not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each succeeding offense.

(14) Any person who violates Section 1 of this Act or any regulation adopted pursuant hereto shall be guilty of a misdemeanor and shall on conviction thereof be subject to a fine of not less than one hundred

dollars ($100) nor more than five hundred dollars ($500), or by imprisonment for not more than thirty (30) days, or both; but if the violation is committed after a conviction of such person under this section has become final, such person shall be subject to a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or by imprisonment for not more than ninety (90) days, or both.

The Committee on Business Organizations and Professions reported **HB 513, HB 538,** and **HB 586** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 513, AN ACT relating to harness racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 230.750 is amended to read as follows:

The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation or association which operates a standardbred horse track at which betting is conducted through a pari-mutuel or other similar system shall not exceed eighteen percent (18%) of the gross amount handled *on straight wagering pools and twenty-five percent (25%) of the gross amount handled on multiple wagering pools, plus the breaks, which* [, and the breaks, which breaks] shall be made and calculated to the dime. *Multiple wagering pools shall include daily double, perfecta, double perfecta, quinella, double quinella, trifecta and other types of exotic betting.*

HB 538, AN ACT relating to health professionals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 205.560 is amended to read as follows:

(1) The scope of medical care for which the department for human resources undertakes to pay shall be designated and limited by regulations promulgated by said department, pursuant to the provisions hereof. Within the limitations of any appropriation therefor, the provision of complete upper and lower dentures to recipients of medical assistance program benefits who have their teeth removed by a dentist resulting in the total absence of teeth shall be a mandatory class in the scope of medical care. Payment to a dentist of any such medical assistance program benefits for complete upper and lower dentures shall only be provided on the condition of a preauthorized agreement between an authorized representative of the medical assistance program and the dentist prior to the removal of such teeth. The selection of another class or other classes of medical care shall be recommended by the council to the secretary for human resources after taking into consideration, among other things, the amount of federal and state funds available, the most essential needs of recipients, and the meeting of such need on a basis insuring the greatest amount of medical care as defined in KRS 205.510 consonant with the funds available including but not limited to the following categories; except where such aid is for the purpose of obtaining an abortion, induced miscarriage or induced premature birth unless, in the opinion of a physician such procedures are necessary for the preservation of the life of the woman seeking such treatment or except an induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or her unborn child:

(a) Hospital care, including drugs, and medical supplies and services during any period of actual hospitalization;

(b) Nursing home care, including medical supplies and services, and drugs during confinement therein on prescription of a physician, dentist, or podiatrist;

(c) Drugs, nursing care, medical supplies and services during the time when a recipient is not in a hospital but is under treatment and on the prescription of a physician, dentist, or podiatrist;

(d) Physician, podiatric, dental and optometric services. *However, the regulations shall provide for the payment to physicians for services which are within the lawful scope of practice of an optometrist duly licensed as provided in KRS Chapter 320, and optometrists rendering such services shall be entitled to payment therefor under said regulations*;

(e) Nonprofit neighborhood health organizations or clinics where some or all of the medical services are provided by licensed registered nurses or by advanced medical students presently enrolled in a medical school accredited by the Association of American Medical Colleges and where such students or licensed registered nurses are under the direct supervision of a licensed physician who rotates his services in this supervisory capacity between two or more of the nonprofit neighborhood health organizations or clinics specified herein.

(2) Payments for hospital care, nursing home care, and drugs or other medical, ophthalmic, podiatric and dental supplies shall be on bases which relate the amount of the payment to the cost of providing such services or supplies. It shall be one of the functions of the council to make recommendations to the department for human resources with respect to such bases for payment.

(3) No vendor payment shall be made unless the class and type of medical care rendered and the cost basis therefor has first been designated by regulation.

(4) The rules and regulations of the department for human resources shall require that a written statement including the required opinion of a physician shall accompany any claim for reimbursement for abortions, induced miscarriages or premature births. This statement shall indicate the procedures used in providing such medical services.

(5) The range of medical care benefit standards provided and the quality and quantity standards and the methods for determining cost formulae for vendor payments within each category of public assistance and other recipients shall be uniform for the entire state, and shall be designated by regulation promulgated within the limitations established by the Social Security Act and federal regulations. The amount of payments for units of services need not be uniform for the entire state but may vary from county to county and from city to city, as well as among hospitals, based on the prevailing cost of medical care in such locale and other local economic and geographic conditions.

[(6) Nothing in this section shall require that any payment be made for optometric services or ophthalmic supplies.]

HB 586, AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 244.290 is amended to read as follows:

(1) No premises for which there has been granted a license for the sale of distilled spirits or wine at retail shall be permitted to remain open for any purpose between midnight and 8 a.m., or at any time during the twenty-four hours of a Sunday, or during the hours the polls are open on any regular, primary, school or special election day, provided, that if a licensee provides a separate department within his licensed premises capable of being locked and closed off, within which is kept all stocks of distilled spirits and wine, and all fixtures and apparatus connected with his business as a licensee, and said department is kept locked during the times mentioned above, he shall be deemed to have complied with this section; except that the city council, board of aldermen or other municipal legislative body of cities of the first *four classes*[, second or third class] in which traffic in distilled spirits and wine is permitted under KRS chapter 242 shall have the exclusive right and power, by ordinance duly enacted, to establish the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries, and except further that the fiscal court of each county in which cities of the first *four classes*[, second or third class] are located shall have the exclusive right and power to establish the hours and times in which distilled spirits and wine may be sold over that portion of the county which lies without the corporate limits of such cities, except any portion in which distilled spirits and wine are prohibited from being sold. Provided, however, that no distilled spirits or wine may be sold in any portion of the counties containing cities of the first *four classes*[, second or third class] during the twenty-four hours between 6 a.m. Sunday and 6 a.m. Monday, except as provided in *subsections* [subsection] (2) *and (4)* of this section, and that no distilled spirits or wine may be sold on any election day while the polls are still open; and provided, also, that all stocks of distilled spirits and wine must be kept locked during the hours which the licensee is prohibited from selling same.

(2) In any county containing a city of the first or second class in which the sale of distilled spirits and wine is permitted under KRS chapter 242, an election on the question of permitting the sale of distilled spirits and wine by the drink on Sunday may be held as provided in KRS 242.020 to 242.040 and 242.060 to 242.120. In any election, the form of the proposition shall be, "Are you in favor of the sale of distilled spirits and wine by the drink between the hours of one p.m. and midnight on Sunday in (name of county)?"

(3) In any county containing a city of the first or second class in which the sale of distilled spirits and wine by the drink is permitted on Sunday as provided in subsection (2) of this section, holders of distilled spirits and wine retail drink licenses may apply to the administrator of the distilled spirits unit for a special Sunday sale retail drink license. Upon receipt of an application and payment of the prescribed fee, the administrator shall issue a license.

(4) In any city of the first class, second class, third class, or urban-county government, or counties containing a city of the first class, second class, third class, or urban-county government in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the respective board of aldermen, city council, or fiscal court, of these areas, shall have the power by duly enacted ordinance, to permit the sale

of distilled spirits and wine on Sunday from 1:00 p.m. until a closing hour to be established by the legislative body of the area concerned by hotels, motels, convention centers, restaurants and commercial airports who are licensed for the retail sale of distilled spirits and wine by the drink and who have dining facilities with a minimum seating capacity of fifty (50) people at tables and who receive at least fifty percent (50%) or more of their gross annual income from their dining facilities by the sale of food. Upon receipt of an application and payment of the prescribed fee, the administrator shall issue a special Sunday license.

Section 2. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection (2), no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of 7 p.m. and 6 a.m. on any week day except Saturday, when the hours of deliveries shall be between 6 a.m. and midnight. No retailer shall sell, give away or deliver any malt beverages between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday or during the hours the polls are open on an election day.

(2) The legislative body of a city of the first *four classes*[, second or third class] in which traffic in malt beverages is permitted by KRS chapter 242, shall have the exclusive power, subject to subsection (3), by ordinance, to establish the times in which malt beverages may be sold within its jurisdictional boundaries. The fiscal court of each county in which a city of the first *four classes*[, second or third class] is located shall have the exclusive power, subject to subsection (3), to establish the times in which malt beverages may be sold in that portion of the county which lies without the corporate limits of such a city, except any portion in which malt beverages are prohibited by KRS chapter 242 from being sold.

(3) Notwithstanding subsections (1) and (2):

(a) The hours so fixed by the legislative body of a city of the first *four classes*[, second or third class], and by fiscal courts, shall not prohibit the sale, gift or delivery of any malt beverages between 6 a.m. and midnight during week days; and

(b) No malt beverages shall be sold on any election day while the polls are still open.

The Committee on State Government reported **HB 119, HB 400, HB 433, HB 515, HB 516, HB 604, HB 144** with Committee Substitute attached thereto, and **HB 336** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 119, AN ACT relating to historic farmland.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 171 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, structure means a house, barn, shed, crib, silo, windmill, fence or cemetery marker.

(2) The Kentucky heritage commission shall establish the Kentucky register of heritage farms. A heritage farm shall comprise at least forty (40) acres and (a) shall have been owned and farmed by the same family for more than one hundred (100) years or, (b) shall include at least one structure more than fifty (50) years old.

HB 400, AN ACT relating to the employment of temporary personnel by the commissioner of parks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.640 is amended to read as follows:

(1) Except as otherwise provided in subsection (2) of this section, and excepting officers elected by popular vote, employes of the general assembly, including employes of the legislative research commission, members of boards and commissions, [and] presidents and employes of the state universities and the state colleges, *and persons employed by the commissioner of parks on a temporary basis under KRS 148.026,* the department of personnel shall prepare a schedule of compensation, payable out of the state treasury, with a minimum and maximum salary rate, and such intermediate salary rates as are deemed necessary or advisable, for the office or position of employment of every state officer and employe, including specifically the offices and positions of employment in every constitutional administrative department, statutory administrative department, independent agency, or other unit of state government. Such schedules shall be based upon

studies of the duties and responsibilities of the offices and positions and upon a comparison with rates being paid for similar or comparable services elsewhere, and in the preparation of such schedules, the department of personnel shall ascertain and record the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and classify such positions in the manner provided in KRS 18.190 to 18.230. No such schedule shall become effective until it has been approved by the governor.

(2) The governor shall set the compensation payable out of the state treasury to each officer or position in the state service, which officer or position heads a statutory administrative department, independent agency, or other unit of state government except for those excluded under subsection (1). Such compensation shall be based upon studies of the duties and responsibilities and classification of the positions by the governor and upon a comparison with compensation being paid for similar or comparable services elsewhere, provided, however, such compensation shall not exceed the amount provided for compensation to the governor in KRS 64.480, the provisions of KRS 64.660 to the contrary notwithstanding.

(3) The compensation payable out of the state treasury to officers and employes subordinate to any office or position covered by subsection (2) of this section shall not exceed the maximum rate established pursuant to subsection (2) of this section for such office or position, except with respect to physicians as provided in KRS 64.655 and employes of the energy regulatory commission and utility regulatory commission of Kentucky whose compensation shall be fixed, within constitutional limits, by the department of personnel with the approval of the governor as provided in subsection (1) of this section.

(4) Nothing in this section shall preclude the allowance of maintenance to officers and employes of the state.

Section 2. KRS 148.026 is amended to read as follows:

The commissioner of parks may employ or contract with such other persons, firms or corporations as he may deem necessary or desirable to accomplish the duties and functions assigned by law to the department of parks; may fix the compensation and the terms of employment or contract of those employed or contracted with; and may assign to them such duties and responsibilities as he may determine; provided, however, that any contract shall be approved by the executive department for finance and administration before it shall become effective. *Individuals employed by the commissioner of parks on a temporary basis for specific construction projects under KRS 56.491(5) or for maintenance projects shall be exempt from the requirements of KRS 18.110 to 18.360.*

HB 433, AN ACT relating to sick leave credit for retiring state employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

(1) Any member of the Kentucky employes retirement system or the state police retirement system who is employed by the Commonwealth shall, on retirement, receive credit for unused sick leave accrued in the state service in accordance with this section.

(2) Upon the member's notification of retirement as prescribed in KRS 16.576 or 61.590, the employer shall certify the retiring employe's unused, accumulated sick leave balance to the board of trustees of the Kentucky retirement systems. The member's sick leave balance, expressed in days, shall be divided by the average number of working days per month in the state service and rounded to the nearest number of whole months. A maximum of six (6) months of the member's sick leave balance, expressed in months, shall be added to his service credit for the purpose of determining his annual retirement allowance under KRS 16.505 to 16.645 or KRS 61.510 to 61.702. Such sick leave balance shall not be used for the purpose of determining whether the member is eligible to receive a retirement allowance under KRS 16.505 to 16.645 or KRS 61.510 to 61.702.

(3) The board shall compute the cost to the retirement system of the sick leave credit of each retiring member and shall bill the last employer of the retiring employe for such cost. The employer shall pay the cost of such service credit by interaccount charge.

Section 2. KRS 61.545 is amended to read as follows:

The board shall determine by appropriate rules and regulations how much service in any year is the equivalent of a year of service credit and how much service in any calendar month is the equivalent of a month of service credit, but in no case shall it allow credit for more than one (1) year of service for all service rendered in any period of twelve (12) consecutive months *except as provided in Section 1 of this Act.*

HB 515, AN ACT relating to the state auditor's employe qualifications.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 43.030 is amended to read as follows:

(1) The auditor shall appoint for the duration of his own term, subject to removal by him at any time, one (1) assistant auditor of public accounts, who shall be a certified public accountant and who has been a citizen and resident of the state for at least two (2) years. The assistant auditor shall have direct supervision over all technical work and technical assistants, and shall otherwise aid the auditor in the performance of his duties. If the auditor is absent or is rendered incapable of performing his duties, or if a vacancy in the office occurs, the assistant auditor shall perform the duties of auditor until the necessity therefor ceases to exist. He shall take the constitutional oath.

(2) The auditor may employ other subordinate personnel subject to the provisions of KRS 12.060. *All employes engaged in auditing or investigations shall possess a minimum of a four (4) year college degree and no less than ninety percent (90%) of the professional staff shall have twenty (20) semester hours or thirty (30) quarter hours of accounting, or alternately, shall be a certified public accountant.* [All employes who are assigned any direct auditing or investigating responsibility (except for the secretary to the auditor and for clerks classified under the classification and compensation plan now prescribed by the department of personnel at not above grade 5 working under continuous on-the-job supervision) shall be graduates of four (4) year colleges or universities fully accredited by the University of Kentucky. Each employe shall have at least 20 semester or 30 quarter-hours of accounting or, alternatively, shall be a certified public accountant.] Not more than two (2) persons charged with the conduct of audits and investigations may substitute year-for-year responsible [accounting] experience acceptable to the department of personnel for the required college education and *accounting hours* [proportionately for the specified accounting].

(3) The auditor and his sureties are liable on his official bond for the acts of the assistant auditor and clerks.

(4) Nothing in this section shall be deemed to affect the provisions of KRS 11.090 or other legislation authorizing audits.

HB 516, AN ACT relating to audits of state agencies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) A state agency may request that an audit be performed by the auditor of public accounts. Such request shall be in writing and shall include a statement of the scope and nature of the proposed audit.

(2) No state agency shall enter into any contract with a certified public accountant for an audit unless the auditor of public accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request for an audit. Any contract with a certified public accountant entered into as a result of the auditor of public accounts' declining to perform the audit shall specify the following:

(a) The certified public accountant shall forward a copy of the audit report and management letters to the auditor of public accounts; and

(b) The auditor of public accounts shall have the right to review the certified public accountant's work papers.

HB 604, AN ACT relating to the Kentucky public employes deferred compensation system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18.550 is amended to read as follows:

Subject to the approval of the board of trustees of the Kentucky state public employes deferred compensation system, the executive department for finance and administration shall establish a deferred compensation plan for the employes of the state of Kentucky. Participation in such plan shall be by a specific written agreement between such employes and the state and shall provide for the deferral of such amount of compensation as requested by the employe. Participating employes must authorize that such deductions be made from their wages for the purpose of participation in such program. *Amounts so deducted shall be deposited in the state treasury to the credit of the trust fund.*

Section 2. KRS 18.560 is amended to read as follows:

(1) Notwithstanding any other provision of KRS 18.510 to 18.600, funds held for the state of Kentucky public employes deferred compensation trust fund pursuant to written deferred compensation agreement between the state and participating employes, may be invested, in such investments as are deemed appropriate by the trustees including, but not limited to annuity contracts.

(2) Funds deposited to the credit of the trust fund from payroll deductions made pursuant to KRS 18.550 shall be temporarily invested as provided in KRS 41.380 until such funds are invested pursuant to the written deferred compensation agreements between the state and participating employes and actually credited to accounts for plan participants. Notwithstanding KRS 41.380(3), interest earned from such temporary investments shall be used to defray the expenses of administering the deferred compensation system. Any such investment income in excess of the amount necessary to pay the expenses of administering the system shall be credited to the accounts for plan participants in proportion to the amount of income deferred by each participant.

HB 144, AN ACT relating to state government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) In addition to the duties prescribed for the office by the constitution of the Commonwealth of Kentucky and by the rules of the senate, the duties of the Lieutenant Governor shall be as follows:

(a) To serve as vice-chairman of the state property and buildings commission as prescribed by KRS 56.450;

(b) To serve as vice-chairman of the Kentucky turnpike authority as prescribed in KRS 175.430;

(c) To serve as a member of the governor's council on agriculture in accordance with KRS 247.417;

(d) To serve as vice-chairman of the county debt commission as provided in KRS 66.300;

(e) To appoint three members of the board of ethics of the Kentucky general assembly in accordance with KRS 6.810;

(f) To appoint one member of the public officials' compensation board as provided in KRS 64.742;

(g) To serve as chairman of the economic development commission and ex officio chairman of the Kentucky development finance authority as provided in KRS 152.050 and 154.020;

(h) To serve as a member of the Kentucky port and river development authority pursuant to KRS 154.320;

(i) To serve as a member of the board of the Kentucky housing corporation in accordance with KRS 198A.030;

(j) To serve as a member of the appalachian development council, the rural development council and the urban development council as provided in Sections 7, 8 and 9 of this Act;

(k) To serve as a member of Kentucky delegations on the following interstate compact commissions or boards:

(i) The southern growth policies board as prescribed by Section 11 of this Act;

(ii) The breaks interstate park commission as provided in Section 12 of this Act;

(iii) The falls of the Ohio interstate park commission pursuant to Section 12 of this Act;

(iv) The Tennessee-Tombigbee waterway development authority pursuant to Section 13 of this Act;

(v) The interstate water sanitation control commissions as prescribed by KRS 224.205; and

(vi) The Kentucky mining advisory council for the interstate mining compact as provided by KRS 350.310.

(2) No duty assigned to the lieutenant governor by subsection (1) of this section shall be abolished, transferred or altered by executive order of the governor under KRS 12.025(1).

(3) Nothing in this section shall prohibit the governor and lieutenant governor from agreeing upon additional duties within the executive branch of the state government to be performed by the lieutenant governor.

Section 2. KRS 56.450 is amended to read as follows:

(1) There is recognized, as an independent agency of the state within the meaning of KRS chapter 12, and as a constituted authority of the Commonwealth of Kentucky, a state and a sovereign entity within the meaning of regulations of the United States department of the treasury, internal revenue service, a state property and buildings commission composed of the governor, who shall be chairman thereof, the lieutenant governor, *who shall be vice-chairman of the commission,* the attorney general, the secretary of the executive department for finance and administration and the commissioner of revenue, or their alternates as authorized and permitted in subsection (5) of this section.

(2) No member of the commission shall receive any salary, fee or other remuneration for his services as a member of the commission but each member shall be entitled to be reimbursed for his ordinary traveling expenses, including meals and lodging, incurred in the performance of his duties.

(3) The commission constitutes a public body corporate with perpetual succession and power in its name to contract and be contracted with, sue and be sued, adopt bylaws, have and use a corporate seal, and exercise all of the powers granted to private corporations generally in KRS chapter 271A, except as the same may be inconsistent with KRS 56.440 to 56.550.

(4) Subject to the provisions of KRS 56.550, but notwithstanding any other provision of the Kentucky Revised Statutes to the contrary, all revenue bonds issued by state agencies except as provided in this chapter (but not including bonds issued directly by and in the name of the Commonwealth of Kentucky under authorization of the executive cabinet), shall be issued under the provisions of this chapter; Provided further, That as an additional and alternative method for the issuance of revenue bonds under the provisions of this chapter, upon application of any state agency and approval by the commission, the commission acting for and on behalf of said state agency may issue revenue bonds in its own name in accordance with the terms and provisions of KRS chapter 58 secured by and payable solely from all or any part of the revenues of said state agency as may be specified and provided in such approved application, and any covenants and undertakings of said state agency in such approved application with regard to the production of such revenues and the use, application or disposition thereof may be enforced by the holders of any such revenue bonds or by any trustee for such bondholders. In issuing bonds under its own name, or in approving issuance of bonds by other state agencies, the commission shall be deemed to be acting for the state government of the Commonwealth of Kentucky as one unit within the meaning of the regulations of the United States department of the treasury, internal revenue service, and it shall be limited to the issuance of bonds to accomplish the public purposes of that unit.

(5) (a) Each member of the commission is hereby authorized and empowered to designate by an instrument in writing over his signature and filed with the secretary as a public record of the commission, an alternate with full authority to attend in the absence of the appointing member for any reason, any properly convened meeting of the commission and to participate in the consideration of, and voting upon, business and transactions of the commission. Any such designation of an alternate may, in the discretion of the appointing member, be limited upon the face of the appointing instrument, to be effective only for a designated meeting or only for specified business; or the same may be shown on the face of the appointing instrument to be on a continuing basis (but in no case for a period of more than four years), whenever the appointing member is unable to attend, but always subject to revocation by the appointing member in an instrument of like formality, similarly filed with the secretary as a public record of the commission. Any party transacting business with the commission, or materially affected thereby, shall be entitled to accept and rely upon a joint certificate of the secretary of the commission and any member of the commission concerning the designation of any alternate, the time of designation, the scope thereof, and if of a continuing nature whether the same has been revoked, and when; and such joint certificate shall be made and delivered to any such party within a reasonable time after written request is made therefor with acceptable identification of the business or transaction referred, and of the requesting party's interest therein. Each alternate shall be a person on the staff of the appointing member, or in the employ of his agency or department of the government of the Commonwealth, as the case may be.

(b) Any three (3) members of the commission shall constitute a quorum and shall by majority vote be authorized to transact any and all business of the commission. One (1) alternate may be substituted for a member in order to establish a quorum, provided that no business is transacted beyond the scope of authority of such alternate.

(c) The state property and buildings commission is reconstituted as of October 1, 1976, with the powers herein provided.

Section 3. KRS 66.300 is amended to read as follows:

(1) There shall be a county debt commission, consisting of the governor, *the lieutenant governor,* the state treasurer, the auditor of public accounts, the secretary of state, the attorney general, the commissioner of the bureau of highways, the secretary of the executive department for finance and administration, and the commissioner of revenue. The governor shall be chairman *and the lieutenant governor shall be vice-chairman.* When the governor is absent from Frankfort, the lieutenant governor shall be chairman, and when both the governor and the lieutenant governor are absent from Frankfort, the secretary of the executive department for finance and administration shall be chairman. The state local finance officer shall serve as secretary of the commission. Each member shall serve without additional compensation, and each member except the governor *and lieutenant governor* may, by advising the governor in writing, authorize an executive officer of the department of which he is head to act for him as a member of the commission.

(2) The chairman may, at his discretion, call meetings of the commission and designate the time and place of the meeting. The chairman and four (4) other members of the commission shall constitute a

quorum. The commission, by a majority vote of the quorum present, may adopt appropriate rules and regulations for the enforcement of KRS 66.280 to 66.390, hear and dispose of appeals from rulings of the state local finance officer, and perform the other duties imposed upon it.

(3) The commission may hold public hearings on any question before it, or the chairman may appoint a committee of the commission or a referee to hold the hearing with instructions to report any findings or recommendations to the commission. The officials or taxpayers of a county or the creditors thereof having a material interest in any hearing before the commission shall, upon their demand, be heard.

(4) The commission shall study the problems of county finance in Kentucky and other states for the purpose of making recommendations to the legislative research commission and the general assembly. The commission may require the state local finance officer to prepare studies on designated subjects, and to publish such studies as it directs, and to supply any available information and make such special inquiries or investigations as it deems necessary.

(5) Any county aggrieved by a ruling of the state local finance officer may within fifteen (15) days thereafter appeal to the commission. The decision of the commission shall be final except as otherwise provided in KRS 66.280 to 66.390.

Section 4. KRS 152.050 is amended to read as follows:

There is hereby created in the development cabinet an economic development commission composed of not more than twenty-two (22) members. The *lieutenant governor, the* commissioner of agriculture, the secretary of the development cabinet and the commissioners of the departments of labor and commerce shall serve, ex officio. The other *seventeen (17)* [eighteen (18)] members shall be appointed by the governor for terms of one (1) year. The *lieutenant governor shall* [governor shall designate one (1) of the members to] serve as chairman, and the commissioner of commerce shall act as secretary. The commission shall serve in an advisory capacity to the Commonwealth in the planning and development of its total program for economic development. The cost of administrative facilities and services for the commission shall be paid by the cabinet for development.

Section 5. KRS 154.320 is amended to read as follows:

(1) The commission shall consist of *the lieutenant governor,* the commissioner of commerce, the secretary of the cabinet for development and five (5) citizens chosen by the governor from each of the districts created in KRS 154.321. The citizen members shall be appointed for original terms of one (1), two (2), three (3), and four (4) years. Their successors shall be appointed for a term of four (4) years and each shall be eligible for reappointment. When a vacancy occurs other than through expiration of the term of office, it shall be filled for the remainder of that term.

(2) A majority of the members shall constitute a quorum for the purpose of organizing the commission and conducting the business thereof. The members shall elect a chairman from the five (5) citizen members and the executive director shall serve as secretary. Meetings may be called by the chairman or at the request of three (3) or more members.

(3) Citizen members of the commission shall receive twenty-five dollars ($25) per day for attendance at each meeting. All commission members shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members of the commission.

(4) Any members of the commission *except the lieutenant governor* may be removed by the governor for inefficiency, neglect of duty, malfeasance, or conflict of interest. The governor shall submit a written statement to the commission setting forth the reasons for removal, and the statement shall be read at the next commission meeting, which shall be open to the general public. The member so removed shall have the right of appeal to the Franklin Circuit Court.

Section 6. KRS 198A.030 is amended to read as follows:

(1) There is hereby created and established an independent, de jure municipal corporation and political subdivision of the Commonwealth which shall be a public body corporate and politic to be known as the Kentucky housing corporation.

(2) The Kentucky housing corporation is created and established as a de jure municipal corporation and political subdivision of the Commonwealth to perform essential governmental and public functions and purposes in improving and otherwise promoting the health and general welfare of the people by the production of residential housing in Kentucky.

(3) The corporation shall be governed by a board of directors, consisting of *fifteen (15)* [fourteen (14)] members, *seven (7)* [six (6)] of whom shall be the *lieutenant governor, the* secretary of the executive department for finance and administration, the commissioner of the department for local government, the commissioner of revenue, the attorney general, the secretary of the cabinet for development and the commissioner of commerce, or their duly appointed designees, as public directors, and eight (8) of whom shall be chosen from the general public residing in the Commonwealth, as private directors.

(4) Upon organization of the corporation, the governor shall appoint the eight (8) private directors to take office and to exercise all powers thereof immediately. Of the eight (8) directors of the corporation thus appointed, two (2) shall continue in office for terms of one (1) year, and two (2) for terms of two (2)

years, two (2) for terms of three (3) years and two (2) for terms of four (4) years respectively as the governor shall designate; at the expiration of said terms and for all succeeding terms, the governor shall appoint a successor to the office of private director for a term of four (4) years in each case.

(5) In case of a vacancy, the governor may appoint a person for such a vacancy to hold office during the remainder of the term.

(6) The governor may remove any private director whom he may appoint in case of incompetency, neglect of duty, gross immorality, or malfeasance in office; and he may declare his office vacant and may appoint a person for such vacancy as provided in other cases of vacancy.

(7) The governor shall designate a director of the corporation to serve as chairman. The term of the chairman shall extend to the earlier of either the date of expiration of his then current term as a director of the corporation or a date six (6) months after the expiration of the then current term of the governor designating such chairman.

(8) The board of directors shall annually elect one (1) of its members as vice chairman. The board of directors shall also elect or appoint, and prescribe the duties of, such other officers as the board of directors deems necessary or advisable, including an executive director and a secretary, and the board of directors shall fix the compensation of such officers.

(9) The executive director shall administer, manage and direct the affairs and business of the corporation, subject to the policies, control and direction of the board of directors of the corporation. The secretary of the corporation shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents and papers filed with the corporation, the minute book or journal of the corporation and its official seal. The secretary shall have authority to cause copies to be made of all minutes and other records and documents of the corporation and to give certificates under the official seal of the corporation to the effect that such copies are true copies, and all persons dealing with the corporation may rely upon such certificates.

(10) A majority of the board of directors of the corporation shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of any vacancies.

(11) Action shall be taken by the corporation upon a vote of a majority of the directors present at a meeting at which a quorum shall exist called upon three (3) days' written notice to each director or upon the concurrence of at least seven directors.

(12) All directors shall be entitled to their reasonable and necessary expenses actually incurred in discharging their duties under this chapter. Each private director appointed pursuant to subsection (3) of this section shall be entitled to a fee of fifty dollars ($50.00) for attendance at each meeting of the board of directors.

SECTION 7. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) There is created within the cabinet for development an appalachian development council. The council shall be attached to the office the secretary of the development cabinet for administrative purposes. The cabinet for development shall provide staff assistance to the council.

(2) The council shall serve as an advisory body to the economic development commission and to the secretary of the development cabinet on all phases of economic development in that part of Kentucky contained within the appalachian region as defined by the federal Appalachian Regional Development Act of 1965, as amended.

(3) The council shall consist of the lieutenant governor and twenty-two (22) members appointed by the governor. The governor shall appoint three (3) members from the appalachian region at-large. The remaining nineteen (19) members shall be appointed from the forty-nine (49) appalachian counties of Kentucky, within area development districts, as follows:

(a) Two (2) members from appalachian counties within the fivco area development district;
(b) Two (2) members from appalachian counties within the gateway area development district;
(c) Two (2) members from appalachian counties within the big sandy area development district;
(d) Two (2) members from appalachian counties within the bluegrass area development district;
(e) Three (3) members from appalachian counties within the Kentucky river area development district;
(f) Three (3) members from appalachian counties within the cumberland valley area development district;
(g) Three (3) members from appalachian counties within the lake cumberland area development district;
(h) One (1) member from appalachian counties within the barren river area development district; and
(i) One (1) member from appalachian counties within the buffalo trace area development district.

(4) The three (3) at-large members of the council shall serve for terms of one (1) year. The remaining nineteen (19) appointed members shall be appointed for terms of four (4) years, except that of the members initially appointed by the Governor five (5) shall be appointed for a term of one (1) year, five (5) shall

be appointed for a term of two (2) years, five (5) shall be appointed for a term of three (3) years, and four (4) shall be appointed for a term of four (4) years. The governor shall fill vacancies by appointment for the remainder of the unexpired term.

(5) The chairman of the council shall be selected annually by the governor from the council membership and shall serve as a member of the economic development commission created by KRS 152.050.

(6) The members of the council shall serve without compensation but shall be reimbursed for reasonable and necessary expenses incurred in performing the work of the council.

SECTION 8. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) There is created within the cabinet for development a rural development council. The council shall be attached to the office of the secretary of the development cabinet for administrative purposes. The cabinet for development shall provide staff assistance to the council.

(2) The council shall serve as an advisory body to the economic development commission and to the secretary of the development cabinet with respect to the economic development of the rural areas of Kentucky.

(3) The council shall consist of the lieutenant governor and twenty (20) members appointed by the governor. The appointed members of the council shall be appointed for terms of four (4) years, except that of the members initially appointed by the governor, five (5) shall be appointed for a term of one (1) year, five (5) shall be appointed for a term of two (2) years, five (5) shall be appointed for a term of three (3) years, and five (5) shall be appointed for a term of four (4) years. The governor shall fill vacancies by appointment for the remainder of the unexpired term.

(4) The chairman of the council shall be appointed annually by the governor from the council's membership and shall serve as a member of the economic development commission created by KRS 152.050.

(5) The members of the council shall serve without compensation but shall be reimbursed for reasonable and necessary expenses incurred in performing the work of the council.

SECTION 9. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) There is created within the cabinet for development an urban development council. The council shall be attached to the office of the secretary of the development cabinet for administrative purposes. The cabinet for development shall provide staff assistance to the council.

(2) The council shall serve as an advisory body to the economic development commission and to the secretary of the development cabinet regarding economic development within the urban areas of Kentucky.

(3) The council shall consist of the lieutenant governor and twenty-four (24) members appointed by the governor. The appointed members of the council shall be appointed for terms of four (4) years, except that of the members initially appointed by the governor, six (6) shall be appointed for a term of one (1) year, six (6) shall be appointed for a term of two (2) years, six (6) shall be appointed for a term of three (3) years, and six (6) shall be appointed for a term of four (4) years. The governor shall fill vacancies by appointment for the remainder of the unexpired term.

(4) The chairman of the council shall be appointed annually by the governor from the council's membership and shall serve as a member of the economic development commission created by KRS 152.050.

(5) The members of the council shall serve without compensation but shall be reimbursed for reasonable and necessary expenses incurred in performing the work of the council.

Section 10. KRS 12.265 is amended to read as follows:

The cabinets established in KRS 12.250 shall be composed of departments, boards and commissions as follows:

I. Cabinet for development
A. Department of agriculture
B. Department of commerce
C. Department of fish and wildlife resources
D. Department of parks
E. Kentucky historical events celebration commission
F. State fair board
G. Office of developmental planning
H. Economic development commission
I. Governor's council on agriculture
J. Farmers advocate's office
K. Council of economic advisors.
L. Appalachian development council.
M. Rural development council.
N. Urban development council.
II. Cabinet for education and the arts
A. Kentucky arts commission

B. Department of education
C. The Kentucky authority for educational television
D. Kentucky heritage commission
E. Kentucky historical society
F. Department of library and archives
G. Bureau for the blind.
III. Cabinet for public protection and regulation
A. Department of alcoholic beverage control
B. Department of banking and securities
C. Department of insurance
D. Department of labor
E. Department of mines and minerals
F. Kentucky registry of election finance
G. Energy regulatory commission and utility regulatory commission
H. Kentucky quarterhorse and appaloosa commission
I. Kentucky state racing commission
J. Kentucky harness racing commission
K. Kentucky board of tax appeals
L. Department of housing, buildings and construction.
IV. Department of energy
A. Bureau of energy research
B. Bureau of production and distribution.

SECTION 11. A NEW SECTION OF KRS CHAPTER 147 IS CREATED TO READ AS FOLLOWS:

One (1) of the two (2) members of the southern growth policies board appointed by the governor pursuant to paragraph 2(c) of article II of the compact set forth in KRS 147.580 shall be the lieutenant governor.

SECTION 12. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) One (1) of the three (3) members of the breaks interstate park commission appointed by the governor pursuant to article II of the compact set forth in KRS 148.220 shall be the lieutenant governor.

(2) One (1) of the three (3) members of the falls of the Ohio interstate park commission appointed by the governor pursuant to article II of the compact set forth in KRS 148.241 shall be the lieutenant governor.

SECTION 13. A NEW SECTION OF KRS CHAPTER 182 IS CREATED TO READ AS FOLLOWS:

One (1) of the five (5) members of the Tennessee-Tombigbee waterway development authority appointed by the governor pursuant to article III of the compact set forth in KRS 182.300 shall be the lieutenant governor.

Section 14. KRS 224.205 is amended to read as follows:

(1) A three-member interstate water sanitation board is established. The members of the board shall serve as Kentucky's members of interstate water sanitation control commissions created by compacts to which Kentucky is a party, which compacts are composed of states forming a river basin, and which compacts require a three-member representation from each state. The governor shall appoint *one (1)* [two (2)] of the board members, *who* [each of whom] shall be a resident and citizen of this state. *The member* [Two (2) of the members] shall be appointed for *a term* [terms] of four (4) years [each], and shall hold office until *his successor is* [their successors are] appointed and qualified, subject to removal at the pleasure of the governor. The *lieutenant governor and the* secretary for natural resources and environmental protection shall, ex officio, be the *second and* third member*s* of the board. Except as otherwise provided by the respective compacts, *an* [the] ex officio member may delegate to any deputy or other subordinate in his department the power to be present and participate, including the right to vote, as his representative or substitute at any meeting, hearing or other proceeding of the commissions.

(2) The membership of the first interstate water sanitation board shall be composed of the membership of the Ohio River Valley water sanitation commission existing on June 19, 1958, and the terms of the appointed members shall be effective from the date of their appointment to the Ohio River Valley water sanitation commission.

Section 15. KRS 350.310 is amended to read as follows:

(1) The "mining council," hereinafter called "the council," is hereby established in the office of the governor. The council shall be the advisory body referred to in article V (a) of the interstate mining compact. No member of the council shall receive any compensation on account of his service thereon, but any such member shall be entitled to reimbursement for expenses actually incurred by him in connection with his possible service as the governor's alternate on the interstate mining commission.

(2) The council shall be composed of *eight (8)* [seven (7)] members: *one (1) of whom shall be the lieutenant governor;* three (3) of whom shall be representatives of mining industries; two (2) of whom shall be representatives of nongovernmental conservation interests; the commissioner of environmental protection and the secretary of the department for natural resources and environmental protection.

(3) The members of the council representing mining industries and nongovernmental conservation interests shall be appointed by the governor. The term of office of such members shall be for four (4) years concurrent with that of the governor or until their successor has been qualified.

The Committee Substitute to **HB 144** is as follows:

HB 144, AN ACT relating to state government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) In addition to the duties prescribed for the office by the constitution of the Commonwealth of Kentucky and by the rules of the senate, the duties of the Lieutenant Governor shall be as follows:

(a) To serve as vice-chairman of the state property and buildings commission as prescribed by KRS 56.450;

(b) To serve as vice-chairman of the Kentucky turnpike authority as prescribed in KRS 175.430;

(c) To serve as a member of the governor's council on agriculture in accordance with KRS 247.417;

(d) To serve as vice-chairman of the county debt commission as provided in KRS 66.300;

(e) To appoint three members of the board of ethics of the Kentucky general assembly in accordance with KRS 6.810;

(f) To appoint one member of the public officials' compensation board as provided in KRS 64.742;

(g) To serve as a member of the economic development commission;

(h) To serve as a member of the Kentucky port and river development authority pursuant to KRS 154.320;

(i) To serve as a member of the board of the Kentucky housing corporation in accordance with KRS 198A.030;

(j) To serve as a member of the appalachian development council as provided in Section 7 of this Act;

(k) To serve as a member of Kentucky delegations on the following interstate compact commissions or boards:

(i) The southern growth policies board as prescribed by Section 9 of this Act;

(ii) The breaks interstate park commission as provided in Section 10 of this Act;

(iii) The falls of the Ohio interstate park commission pursuant to Section 10 of this Act;

(iv) The Tennessee-Tombigbee waterway development authority pursuant to Section 11 of this Act;

(v) The interstate water sanitation control commissions as prescribed by KRS 224.205; and

(vi) The Kentucky mining advisory council for the interstate mining compact as provided by KRS 350.310.

(2) Nothing in this section shall prohibit the governor and lieutenant governor from agreeing upon additional duties within the executive branch of the state government to be performed by the lieutenant governor.

Section 2. KRS 56.450 is amended to read as follows:

(1) There is recognized, as an independent agency of the state within the meaning of KRS chapter 12, and as a constituted authority of the Commonwealth of Kentucky, a state and a sovereign entity within the meaning of regulations of the United States department of the treasury, internal revenue service, a state property and buildings commission composed of the governor, who shall be chairman thereof, the lieutenant governor, *who shall be vice-chairman of the commission,* the attorney general, the secretary of the executive department for finance and administration and the commissioner of revenue, or their alternates as authorized and permitted in subsection (5) of this section.

(2) No member of the commission shall receive any salary, fee or other remuneration for his services as a member of the commission but each member shall be entitled to be reimbursed for his ordinary traveling expenses, including meals and lodging, incurred in the performance of his duties.

(3) The commission constitutes a public body corporate with perpetual succession and power in its name to contract and be contracted with, sue and be sued, adopt bylaws, have and use a corporate seal, and exercise all of the powers granted to private corporations generally in KRS chapter 271A, except as the same may be inconsistent with KRS 56.440 to 56.550.

(4) Subject to the provisions of KRS 56.550, but notwithstanding any other provision of the Kentucky Revised Statutes to the contrary, all revenue bonds issued by state agencies except as provided in this chapter (but not including bonds issued directly by and in the name of the Commonwealth of Kentucky under authorization of the executive cabinet), shall be issued under the provisions of this chapter; Provided further, That as an additional and alternative method for the issuance of revenue bonds under the provisions of this chapter, upon application of any state agency and approval by the commission, the commission acting for and on behalf of said state agency may issue revenue bonds in its own name in accordance with the terms and provisions of KRS chapter 58 secured by and payable solely from all or any part of the revenues of said state agency as may be specified and provided in such approved application, and any covenants and undertakings of said state agency in such approved application with regard to the production of such revenues and the use, application or disposition thereof may be enforced by the holders of any such revenue bonds or by any trustee for such bondholders. In issuing bonds under its own name, or in approving issuance of bonds by other state agencies, the commission shall be deemed to be acting for the state government of the Commonwealth of Kentucky as one unit within the meaning of the regulations of the United States department of the treasury, internal revenue service, and it shall be limited to the issuance of bonds to accomplish the public purposes of that unit.

(5) (a) Each member of the commission is hereby authorized and empowered to designate by an instrument in writing over his signature and filed with the secretary as a public record of the commission, an alternate with full authority to attend in the absence of the appointing member for any reason, any properly convened meeting of the commission and to participate in the consideration of, and voting upon, business and transactions of the commission. Any such designation of an alternate may, in the discretion of the appointing member, be limited upon the face of the appointing instrument, to be effective only for a designated meeting or only for specified business; or the same may be shown on the face of the appointing instrument to be on a continuing basis (but in no case for a period of more than four years), whenever the appointing member is unable to attend, but always subject to revocation by the appointing member in an instrument of like formality, similarly filed with the secretary as a public record of the commission. Any party transacting business with the commission, or materially affected thereby, shall be entitled to accept and rely upon a joint certificate of the secretary of the commission and any member of the commission concerning the designation of any alternate, the time of designation, the scope thereof, and if of a continuing nature whether the same has been revoked, and when; and such joint certificate shall be made and delivered to any such party within a reasonable time after written request is made therefor with acceptable identification of the business or transaction referred, and of the requesting party's interest therein. Each alternate shall be a person on the staff of the appointing member, or in the employ of his agency or department of the government of the Commonwealth, as the case may be.

(b) Any three (3) members of the commission shall constitute a quorum and shall by majority vote be authorized to transact any and all business of the commission. One (1) alternate may be substituted for a member in order to establish a quorum, provided that no business is transacted beyond the scope of authority of such alternate.

(c) The state property and buildings commission is reconstituted as of October 1, 1976, with the powers herein provided.

Section 3. KRS 66.300 is amended to read as follows:

(1) There shall be a county debt commission, consisting of the governor, *the lieutenant governor,* the state treasurer, the auditor of public accounts, the secretary of state, the attorney general, the commissioner of the bureau of highways, the secretary of the executive department for finance and administration, and the commissioner of revenue. The governor shall be chairman *and the lieutenant governor shall be vice-chairman.* When the governor is absent from Frankfort, the lieutenant governor shall be chairman, and when both the governor and the lieutenant governor are absent from Frankfort, the secretary of the executive department for finance and administration shall be chairman. The state local finance officer shall serve as secretary of the commission. Each member shall serve without additional compensation, and each member except the governor *and lieutenant governor* may, by advising the governor in writing, authorize an executive officer of the department of which he is head to act for him as a member of the commission.

(2) The chairman may, at his discretion, call meetings of the commission and designate the time and place of the meeting. The chairman and four (4) other members of the commission shall constitute a quorum. The commission, by a majority vote of the quorum present, may adopt appropriate rules and regulations for the enforcement of KRS 66.280 to 66.390, hear and dispose of appeals from rulings of the state local finance officer, and perform the other duties imposed upon it.

(3) The commission may hold public hearings on any question before it, or the chairman may appoint a committee of the commission or a referee to hold the hearing with instructions to report any findings or recommendations to the commission. The officials or taxpayers of a county or the creditors thereof having a material interest in any hearing before the commission shall, upon their demand, be heard.

(4) The commission shall study the problems of county finance in Kentucky and other states for the purpose of making recommendations to the legislative research commission and the general assembly. The

commission may require the state local finance officer to prepare studies on designated subjects, and to publish such studies as it directs, and to supply any available information and make such special inquiries or investigations as it deems necessary.

(5) Any county aggrieved by a ruling of the state local finance officer may within fifteen (15) days thereafter appeal to the commission. The decision of the commission shall be final except as otherwise provided in KRS 66.280 to 66.390.

Section 4. KRS 152.050 is amended to read as follows:

There is hereby created in the development cabinet an economic development commission composed of not more than twenty-two (22) members. The *lieutenant governor, the* commissioner of agriculture, the secretary of the development cabinet and the commissioners of the departments of labor and commerce shall serve, ex officio. The other *seventeen (17)* [eighteen (18)] members shall be appointed by the governor for terms of one (1) year. The governor shall designate one (1) of the members to serve as chairman, and the commissioner of commerce shall act as secretary. The commission shall serve in an advisory capacity to the Commonwealth in the planning and development of its total program for economic development. The cost of administrative facilities and services for the commission shall be paid by the cabinet for development.

Section 5. KRS 154.320 is amended to read as follows:

(1) The commission shall consist of *the lieutenant governor,* the commissioner of commerce, the secretary of the cabinet for development and five (5) citizens chosen by the governor from each of the districts created in KRS 154.321. The citizen members shall be appointed for original terms of one (1), two (2), three (3), and four (4) years. Their successors shall be appointed for a term of four (4) years and each shall be eligible for reappointment. When a vacancy occurs other than through expiration of the term of office, it shall be filled for the remainder of that term.

(2) A majority of the members shall constitute a quorum for the purpose of organizing the commission and conducting the business thereof. The members shall elect a chairman from the five (5) citizen members and the executive director shall serve as secretary. Meetings may be called by the chairman or at the request of three (3) or more members.

(3) Citizen members of the commission shall receive twenty-five dollars ($25) per day for attendance at each meeting. All commission members shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members of the commission.

(4) Any members of the commission may be removed by the governor for inefficiency, neglect of duty, malfeasance, or conflict of interest. The governor shall submit a written statement to the commission setting forth the reasons for removal, and the statement shall be read at the next commission meeting, which shall be open to the general public. The member so removed shall have the right of appeal to the Franklin Circuit Court.

Section 6. KRS 198A.030 is amended to read as follows:

(1) There is hereby created and established an independent, de jure municipal corporation and political subdivision of the Commonwealth which shall be a public body corporate and politic to be known as the Kentucky housing corporation.

(2) The Kentucky housing corporation is created and established as a de jure municipal corporation and political subdivision of the Commonwealth to perform essential governmental and public functions and purposes in improving and otherwise promoting the health and general welfare of the people by the production of residential housing in Kentucky.

(3) The corporation shall be governed by a board of directors, consisting of *fifteen (15)* [fourteen (14)] members, *seven (7)* [six (6)] of whom shall be the *lieutenant governor, the* secretary of the executive department for finance and administration, the commissioner of the department for local government, the commissioner of revenue, the attorney general, the secretary of the cabinet for development and the commissioner of commerce, or their duly appointed designees, as public directors, and eight (8) of whom shall be chosen from the general public residing in the Commonwealth, as private directors.

(4) Upon organization of the corporation, the governor shall appoint the eight (8) private directors to take office and to exercise all powers thereof immediately. Of the eight (8) directors of the corporation thus appointed, two (2) shall continue in office for terms of one (1) year, and two (2) for terms of two (2) years, two (2) for terms of three (3) years and two (2) for terms of four (4) years respectively as the governor shall designate; at the expiration of said terms and for all succeeding terms, the governor shall appoint a successor to the office of private director for a term of four (4) years in each case.

(5) In case of a vacancy, the governor may appoint a person for such a vacancy to hold office during the remainder of the term.

(6) The governor may remove any private director whom he may appoint in case of incompetency, neglect of duty, gross immorality, or malfeasance in office; and he may declare his office vacant and may appoint a person for such vacancy as provided in other cases of vacancy.

(7) The governor shall designate a director of the corporation to serve as chairman. The term of the chairman shall extend to the earlier of either the date of expiration of his then current term as a director

of the corporation or a date six (6) months after the expiration of the then current term of the governor designating such chairman.

(8) The board of directors shall annually elect one (1) of its members as vice chairman. The board of directors shall also elect or appoint, and prescribe the duties of, such other officers as the board of directors deems necessary or advisable, including an executive director and a secretary, and the board of directors shall fix the compensation of such officers.

(9) The executive director shall administer, manage and direct the affairs and business of the corporation, subject to the policies, control and direction of the board of directors of the corporation. The secretary of the corporation shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents and papers filed with the corporation, the minute book or journal of the corporation and its official seal. The secretary shall have authority to cause copies to be made of all minutes and other records and documents of the corporation and to give certificates under the official seal of the corporation to the effect that such copies are true copies, and all persons dealing with the corporation may rely upon such certificates.

(10) A majority of the board of directors of the corporation shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of any vacancies.

(11) Action shall be taken by the corporation upon a vote of a majority of the directors present at a meeting at which a quorum shall exist called upon three (3) days' written notice to each director or upon the concurrence of at least seven directors.

(12) All directors shall be entitled to their reasonable and necessary expenses actually incurred in discharging their duties under this chapter. Each private director appointed pursuant to subsection (3) of this section shall be entitled to a fee of fifty dollars ($50.00) for attendance at each meeting of the board of directors.

SECTION 7. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) There is created within the cabinet for development an appalachian development council. The council shall be attached to the office of the secretary of the development cabinet for administrative purposes. The cabinet for development shall provide staff assistance to the council.

(2) The council shall serve as an advisory body to the secretary of the development cabinet and to the general assembly on all phases of economic development in that part of Kentucky contained within the appalachian region as defined by the federal Appalachian Regional Development Act of 1965, as amended.

(3) The council shall consist of the lieutenant governor and twenty-two (22) members appointed by the governor. The governor shall appoint three (3) members from the appalachian region at-large. The remaining nineteen (19) members shall be appointed from the forty-nine (49) appalachian counties of Kentucky, within area development districts, as follows:

(a) Two (2) members from appalachian counties within the fivco area development district;

(b) Two (2) members from appalachian counties within the gateway area development district;

(c) Two (2) members from appalachian counties within the big sandy area development district;

(d) Two (2) members from appalachian counties within the bluegrass area development district;

(e) Three (3) members from appalachian counties within the Kentucky river area development district;

(f) Three (3) members from appalachian counties within the cumberland valley area development district;

(g) Three (3) members from appalachian counties within the lake cumberland area development district;

(h) One (1) member from appalachian counties within the barren river area development district; and

(i) One (1) member from appalachian counties within the buffalo trace area development district.

(4) The three (3) at-large members of the council shall serve for terms of one (1) year. The remaining nineteen (19) appointed members shall be appointed for terms of four (4) years, except that of the members initially appointed by the Governor five (5) shall be appointed for a term of one (1) year, five (5) shall be appointed for a term of two (2) years, five (5) shall be appointed for a term of three (3) years, and four (4) shall be appointed for a term of four (4) years. The governor shall fill vacancies by appointment for the remainder of the unexpired term.

(5) The chairman of the council shall be selected annually by the council members and shall serve as a member of the economic development commission created by KRS 152.050.

(6) The members of the council shall serve without compensation but shall be reimbursed for reasonable and necessary expenses incurred in performing the work of the council.

Section 8. KRS 12.265 is amended to read as follows:

The cabinets established in KRS 12.250 shall be composed of departments, boards and commissions as follows:

I. Cabinet for development
A. Department of agriculture
B. Department of commerce
C. Department of fish and wildlife resources
D. Department of parks
E. Kentucky historical events celebration commission
F. State fair board
G. Office of developmental planning
H. Economic development commission
I. Governor's council on agriculture
J. Farmers advocate's office
K. Council of economic advisors.
L. Appalachian development council.
II. Cabinet for education and the arts
A. Kentucky arts commission
B. Department of education
C. The Kentucky authority for educational television
D. Kentucky heritage commission
E. Kentucky historical society
F. Department of library and archives
G. Bureau for the blind.
III. Cabinet for public protection and regulation
A. Department of alcoholic beverage control
B. Department of banking and securities
C. Department of insurance
D. Department of labor
E. Department of mines and minerals
F. Kentucky registry of election finance
G. Energy regulatory commission and utility regulatory commission
H. Kentucky quarterhorse and appaloosa commission
I. Kentucky state racing commission
J. Kentucky harness racing commission
K. Kentucky board of tax appeals
L. Department of housing, buildings and construction.
IV. Department of energy
A. Bureau of energy research
B. Bureau of production and distribution.

SECTION 9. A NEW SECTION OF KRS CHAPTER 147 IS CREATED TO READ AS FOLLOWS:

One (1) of the two (2) members of the southern growth policies board appointed by the governor pursuant to paragraph 2(c) of article II of the compact set forth in KRS 147.580 shall be the lieutenant governor.

SECTION 10. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) One (1) of the three (3) members of the breaks interstate park commission appointed by the governor pursuant to article II of the compact set forth in KRS 148.220 shall be the lieutenant governor.

(2) One (1) of the three (3) members of the falls of the Ohio interstate park commission appointed by the governor pursuant to article II of the compact set forth in KRS 148.241 shall be the lieutenant governor.

SECTION 11. A NEW SECTION OF KRS CHAPTER 182 IS CREATED TO READ AS FOLLOWS:

One (1) of the five (5) members of the Tennessee-Tombigbee waterway development authority appointed by the governor pursuant to article III of the compact set forth in KRS 182.300 shall be the lieutenant governor.

Section 12. KRS 224.205 is amended to read as follows:

(1) A three-member interstate water sanitation board is established. The members of the board shall serve as Kentucky's members of interstate water sanitation control commissions created by compacts to which Kentucky is a party, which compacts are composed of states forming a river basin, and which compacts require a three-member representation from each state. The governor shall appoint *one (1)* [two (2)] of the board members, *who* [each of whom] shall be a resident and citizen of this state. *The member* [Two (2) of the members] shall be appointed for *a term* [terms] of four (4) years [each], and shall hold office until *his successor is* [their successors are] appointed and qualified, subject to removal at the pleasure of the governor. The *lieutenant governor and the* secretary for natural resources and environmental protection shall, ex

officio, be the *second and* third members of the board. Except as otherwise provided by the respective compacts, *an* [the] ex officio member may delegate to any deputy or other subordinate in his department the power to be present and participate, including the right to vote, as his representative or substitute at any meeting, hearing or other proceeding of the commissions.

(2) The membership of the first interstate water sanitation board shall be composed of the membership of the Ohio River Valley water sanitation commission existing on June 19, 1958, and the terms of the appointed members shall be effective from the date of their appointment to the Ohio River Valley water sanitation commission.

Section 13. KRS 350.310 is amended to read as follows:

(1) The "mining council," hereinafter called "the council," is hereby established in the office of the governor. The council shall be the advisory body referred to in article V (a) of the interstate mining compact. No member of the council shall receive any compensation on account of his service thereon, but any such member shall be entitled to reimbursement for expenses actually incurred by him in connection with his possible service as the governor's alternate on the interstate mining commission.

(2) The council shall be composed of *eight (8)* [seven (7)] members: *one (1) of whom shall be the lieutenant governor;* three (3) of whom shall be representatives of mining industries; two (2) of whom shall be representatives of nongovernmental conservation interests; the commissioner of environmental protection and the secretary of the department for natural resources and environmental protection.

(3) The members of the council representing mining industries and nongovernmental conservation interests shall be appointed by the governor. The term of office of such members shall be for four (4) years concurrent with that of the governor or until their successor has been qualified.

HB 336, AN ACT relating to personal service contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 45.700 to 45.720 IS CREATED TO READ AS FOLLOWS:

(1) No contracting body shall enter into any personal service contract for advertising, promotional or public relations services unless the department of public information, through the commissioner of public information, has declined in writing to provide the proposed services or has failed to respond to the contracting body's written request for such services within thirty (30) days after receipt of the request. The contracting body shall furnish the commissioner of public information a comprehensive statement of the scope and nature of the proposed advertising, promotional or public relations services.

(2) Each proposed personal service contract for advertising, promotional or public relations services submitted to the legislative research commission or the professional employment commission shall be accompanied by a copy of the correspondence between the contracting body and the department of public information under subsection (1) of this section.

Section 2. Whereas, personal service contracts for fiscal year 1980-81 will be negotiated prior to July 1, 1980; and whereas the General Assembly finds that contracts for advertising, promotional and public relations services have been previously made without regard to the availability of such services within state government; and whereas it is imperative that excessive expenditures for such contracts be eliminated through the review procedure required by this Act, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

The Committee Substitute to **HB 336** is as follows:

HB 336, AN ACT relating to personal service contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 45.700 to 45.720 IS CREATED TO READ AS FOLLOWS:

(1) No contracting body shall enter into any personal service contract for advertising, promotional or public relations services unless the department of public information, through the commissioner of public information, has been informed in writing of the specific requirements relating to such services and has declined in writing to provide the proposed services or has failed to respond to the contracting body's written

request for such services within thirty (30) days after receipt of the request. The contracting body shall furnish the commissioner of public information a comprehensive statement of, and be available as necessary for consultation about, the scope and nature of the proposed advertising, promotional or public relations services.

(2) The commissioner shall review each proposed personal service contract to determine whether the required services are available within state government at the same or less cost; whether the provisions of the proposed contract will provide the required services and whether the individual or agency proposing the personal service contract has the expertise and resources to provide the services. The commissioner shall forward his determination to the secretary of finance and shall recommend any modifications or alterations in the proposed personal service contract.

(3) Each proposed personal service contract for advertising, promotional or public relations services submitted to the legislative research commission or department of finance shall be accompanied by a copy of the correspondence between the contracting body and the department of public information including any advisements concerning the proposed services from the commissioner of public information to the contracting body under subsections (1) and (2) of this section.

Section 2. Whereas, personal service contracts for fiscal year 1980-81 will be negotiated prior to July 1, 1980; and whereas the General Assembly finds that contracts for advertising, promotional and public relations services have been previously made without regard to the availability of such services within state government; and whereas it is imperative that excessive expenditures for such contracts be eliminated through the review procedure required by this Act, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

Senate Message

Announcing passage of **SB 170, HB 137, HB 207, HB 341, HB 103** with Senate Amendment, **HB 122** with Senate Amendment, and **HB 150** with Senate Amendment.

Calendar

HB 299, HB 301, HB 263, HB 178, HB 439, HB 547, HB 295, HB 491, HB 438, HB 362, SB 53, HB 106, HB 289, HB 498, SB 109, HJR 40, HB 48, HB 151, HB 333, and **HB 436** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 46, SB 63,** and **SB 57** had been examined and found correctly enrolled. **SB 46, SB 63,** and **SB 57** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day

HB 462 with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Committee Amendment No. 1 to **HB 462.** Agreed.

Representative B. Richardson moved the adoption of the Floor Amendment No. 1 to **HB 462.** Agreed.

Representative B. Richardson moved the adoption of the Floor Amendment No. 2 to **HB 462.** Agreed.

Representative Blandford moved the adoption of the Floor Amendment No. 3 to **HB 462.** Agreed.

Representative B. Richardson moved the adoption of the Floor Amendment No. 4 to **HB 462.** Agreed.

Representative B. Richardson moved that **HB 462,** as amended, be passed.

Recess

Representative Nett moved that the House recess for thirty minutes for Jefferson County caucus.

On the roll call the vote was yeas 67-Adams, Allen, Arnold, Bendl, Bennett, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Dunn, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Hines, Holbrook, Holloway, Isler, Kidd, Layman, LeMaster, List, Little, Maynard, McKinney, Moberly, Morris, Nett, O'Brien, Patrick, Pearman, Priddy, Rapier, Rattliff, Richards, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 14-Burnette, Caldwell, Donnermeyer, Ellington, Foster, Kenton, Lundergan, May, McBee, Petty, Plummer, B. Richardson, Smith, Tobin.

The motion that the House recess was adopted.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Recess

Representative B. Richardson moved that the House recess for fifteen minutes for Democratic caucus.

On the roll call the vote was yeas 44-Adams, Arnold, Barrows, Bendl, Boswell, Brown, Burch, Cawood, Craddock, Crupper, Curd, Cyrus, DeFalaise, Deskins, Donnermeyer, Ellington, Farrow, Foster, Gray, Isler, Kenton, LeMaster, Little, Lundergan, May, McNutt, Moberly, Nett, O'Brien, Pearman, Petty, Priddy, Rapier, B. Richardson, Stone, Stumbo, Thomason, Tobin, Van Horn, Weinberg, White, Williams, Worthington, Yates. Nays 15-Allen, Caldwell, Davenport, Dunn, Fryman, Guenthner, Heleringer, Johnson, Layman, Lewis, Maynard, Plummer, Rattliff, Romines, Turner.

The motion that the House recess was adopted.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day (Cont.)

Representative B. Richardson moved that **HB 462** be laid on the Clerk's desk.

On the roll call the vote was yeas 61-Adams, Arnold, Barrows, Bendl, Bennett, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Jones, Kenton, Kidd, Lewis, Little, Mann, May, McNutt, Moberly, Nett, Noe, O'Brien, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Stone, Stumbo, Thomason, Van Horn, Weinberg, White, Wilborn, Williams. Nays 28-Allen, Blythe, Bruce, Caldwell, Davenport, DeFalaise, Fryman, Gray, Guenthner, Haering, Holloway, Layman, LeMaster, List, Lundergan, Maynard, McBee, McKinney, Morris, Overstreet, Pearman, Robinson, Schmidt, Smith, Tobin, Turner, Worthington, Wright.

The motion that **HB 462** be laid on the Clerk's desk was adopted.

Representative B. Richardson moved that **HB 462** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Maynard.

The motion that **HB 462** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative B. Richardson moved that consideration of **HB 462** be deferred and that it retain its position in Orders of the Day. Agreed.

SJR 8 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Freibert moved that **SJR 8** be passed.

On the roll call the vote was yeas 83-Adams, Arnold, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 5-Allen, Ellington, Fryman, Overstreet, Patrick.

SJR 8 was passed and the title agreed to.

Representative Freibert moved that the vote by which **SJR 8** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 408, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Overstreet moved the adoption of the Floor Amendment No. 1 to **HB 408.** Agreed.

Representative Brown moved that **HB 408,** as amended, be passed.

Representative Brown moved the adoption of the Committee Amendment No. 1 to **HB 408.** Agreed.

Representative Brown moved that **HB 408,** as amended, be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, McBee, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 408, as amended, was passed and the title agreed to.

Representative Brown moved that the vote by which **HB 408,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 17, SB 140, SB 166, HB 130,** and **HB 158** with Senate Amendment.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 21, HB 98, HB 137, HB 207, HB 341,** and **HJR 8** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day (Cont.)

SJR 2 taken from Orders of the Day and ordered read length for the third time . Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Romines moved that **SJR 2** be passed.

On the roll call the vote was yeas 80-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Curd, Cyrus, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, Layman, Lewis, List, Little, Mann, May, Maynard, McKinney, Moberly, Morris, Noe, O'Brien, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

SJR 2 was passed and the title agreed to.

Representative Romines moved that the vote by which **SJR 2** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 222, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeFalaise moved the adoption of the Committee Substitute to **HB 222.** Agreed.
Representative Caldwell moved that **HB 222,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 85-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, Lewis, List, Lundergan, Mann, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Patrick, Plummer, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Little.

HB 222, by way of Committee Substitute, was passed and the title agreed to.

Representative DeFalaise moved that the vote by which **HB 222,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 238, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Committee Substitute to **HB 238.** Agreed.

Representative Mann moved that **HB 238,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 51-Arnold, Barrows, Bendl, Bennett, Blandford, Bronger, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Heleringer, Hines, Holbrook, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, Petty, Priddy, Rapier, B. Richardson, Robinson, Romines, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 32-Adams, Allen, Blair, Blythe, Boswell, Brinkley, Bruce, Curd, Cyrus, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Isler, Layman, McBee, McKinney, McNutt, Moberly, Morris, Noe, Patrick, Plummer, Richards, P. Richardson, Riner, Stumbo, Turner, Wright.

HB 238, by way of Committee Substitute, was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 238,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB308, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of the Committee Substitue to **HB 308.** Agreed.

Representative Arnold moved that **HB 308,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Maynard, McBee, McNutt, Moberly, Morris, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 308, by way of Committee Substitute, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 308,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 424, which Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved the adoption of the Committee Amendment No. 1 to **HB 424.** Agreed.

Representative Williams moved that **HB 424,** as amended, be passed.

On the roll call the vote was yeas 64-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Farrow, Freibert, Gray, Haering, Hancock, Head, Heleringer, Holbrook, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Maynard, McBee, Morris, Noe, O'Brien, Patrick, Petty, Plummer, Rapier, Richards, B. Richardson, Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, White, Williams, Wright, Yates. Nays 8-Barrows, Cawood, Mann, Moberly Robinson, Tobin, Weinberg, Wilborn.

HB 424, as amended, was passed and the title agreed to.

Representative Williams moved that the vote by which **HB 424,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 446, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved the adoption of Floor Amendment No. 1 to **HB 446.** Agreed.

Representative Stone moved that **HB 446,** as amended, be passed.

On the roll call the vote was yeas 72-Adams, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, List, Little, Maynard, McBee, Moberly, Morris, Noe, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 7-Allen, Clarke, LeMaster, Lundergan, McNutt, O'Brien, Tobin.

HB 446, as amended, was passed and the title agreed to.

Representative Stone moved that the vote by which **HB 446,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 91, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of the Committee Amendment No. 1 to **SB 91.** Agreed.

Representative Richards moved the **SB 91,** as amended, be passed.

On the roll call the vote was yeas 77-Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, Lundergan, Maynard, McBee, McKinney, McNutt, Morris, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Romines, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 11-Adams, Barrows, Clapp, J. Clarke, Donnermeyer, List, Little, Mann, Moberly, Rattliff, B. Richardson.

SB 91, as amended, was passed and the title agreed to.

Representative Richards moved that the vote by which **SB 91,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

Representative Schmidt moved that the vote on **HCR 4** be reconsidered.

On the roll call the vote was yeas 56-Allen, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Cawood, Clarke, Craddock, Curd, Cyrus, Davenport, DeFalaise, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, List, Mann, Maynard, Morris, Noe, Patrick, Petty, Plummer, Priddy, Rapier, Richards, Riner, Schmidt, Smith, Stone, Stumbo, Thomas, Turner, Van Horn, Wilborn, Williams, Worthington, Yates. Nays 2-Ellington, B. Richardson.

The motion that the vote on **HCR 4** be reconsidered was adopted.

Representative Schmidt moved that **HCR 4** be placed in Orders of the Day for February 29, 1980.

On the roll call the vote was yeas 62-Allen, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Caldwell, Cawood, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, Little, Lundergan, Mann, May, McKinney, Moberly, Morris, Noe, Patrick, Petty, Plummer, Priddy, Richards, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Wilborn, Williams, Worthington, Yates. Nays 0.

The motion that **HCR 4** be placed in Orders of the Day for February 29, 1980 was adopted.

Speaker Pro Tempore Hancock presiding.

Representative Brinkley moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Brinkley moved that a call of the roll be taken to show co-sponsors of **HR 77.** Agreed.

The following members requested that their names be added as co-sponsor of **HR 77:** Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kidd, Layman, Lewis, List, Little, Mann, Maynard, McBee, McNutt, Moberly, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Richards, B. Richardson, P. Richardson, Riner, Romines, Smith, Stone, Stumbo, Turner, Van Horn, Williams, Worthington, and Wright.

Representative Brinkley moved the adoption of the following **HR 77:**

HR 77, A RESOLUTION adjourning in honor of the 1980 United States Olympic Hockey Team.

WHEREAS, the United States has not won a gold medal in Olympic hockey competition in twenty years; and

WHEREAS, the last United States Hockey Team to succeed in capturing the gold medal was during the 1960 Olympic Games in Squaw Valley, California; and

WHEREAS, the 1980 United States Hockey Team, coached by Herb Brooks, pulled off one of the greatest upsets in sports history during the XIII Winter Olympic Games held in Lake Placid, N. Y., by defeating the Soviet Union Hockey Team by a score of 4-3; and

WHEREAS, the young American Hockey squad's win over the Soviet Union was totally unexpected since the Soviet squad has regularly defeated the best teams of the National Hockey League; and

WHEREAS, in order to secure the gold medal, the Americans had to face the challenge of the Finland Olympic Hockey team barely 39 hours after their monumental, emotionally draining, come-from-behind victory over the Russians; and

WHEREAS, six months of blood, sweat and tears on the part of these twenty young Americans came down to sixty minutes of hockey with the Finns on Sunday, February 24, 1980, the final day of competition of the XIII Winter Olympic Games; and

WHEREAS, the American Cinderella Hockey team rallied to the occasion to win the gold medal by defeating the Finns by a score of 4-2;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body hails and applauds the 1980 United States Olympic Hockey Team for its exemplary performance during these winter games and especially upon its capture of the gold medal.

Section 2. That when the House does adjourn this day, Tuesday, February 26, 1980, it does so in honor of the 1980 United States Olympic Hockey Team.

Section 3. That the Clerk of the House be directed to transmit a copy of this resolution to the United States Olympic Committee for the purpose of forwarding to every member of the 1980 Olympic Hockey team.

HR 77 was adopted by voice vote.

Representative LeMaster moved the adoption of the following Legislative Citation No. 36:

The House of Representatives of the Commonwealth of Kentucky hereby commends the Metropolitan Woman's Club for your distinguished services and your extraordinary contributions to the Metropolitan area of Lexington, Kentucky and your participation on the state level. Your laudable services make you a viable participant in the Senior Citizens Clinic project with comparable and competitive goals consistent with your philosphy "Community oriented Service for enriching the lives of others." We applaud you with profound appreciation for your most noteworthly endeavors in community involvement. Your humanitarian spirit, your act of benevolence and dedication will reward and crown your efforts. The Senior Citizens Clinic at the Lexington-Fayette County Health Department is a formidable and essential facility with an invigorating nucleus for providing for the needs and services of our Senior citizens in which you play an indispensable role. Accept our highest commendation for a voluntary service "Well Done" in enriching the lives of your fellowman. (Sponsored by Representative Kenton)

Agreed.

Representative Priddy moved that **HB 360** be taken from the Clerk's desk and placed in Orders of the Day, February 29, 1980.

On the roll call the vote was yeas 53-Adams, Bendl, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Cyrus, Davenport, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Kidd, Layman, Lewis, List, Maynard, McNutt, Noe, O'Brien, O'Brien, Petty, Priddy, Rapier, Richards, B. Richardson, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Wilborn, Yates. Nays 0.

The motion that **HB 360** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative McNutt moved the adoption of the following Legislative Citation No. 37.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Lone Oak High School Kentucky Colonel Band and your excellent director, Mr. Gary H. Crisp, for your outstanding performances and achievements that have merited for you local, state and national recognition. You have bestowed great pride and honor upon your school, community and especially our Commonwealth of Kentucky in being selected as Kentucky's representative for participation in the Annual Cherry Blossom Festival to be held in Washington, D.C., March 26-29, 1980. We honor and salute you, our proud youth of our proud state of Kentucky for your musical talent, tireless efforts and school loyalty dramatized most effectively in warming the hearts of all Kentuckians. (Sponsored by Representative McNutt)

Agreed.

Representative Bruce moved that a call of the roll be taken to show co-sponsors of **HB 717.** Agreed.

The following members requested that their names be added as co-sponsor of **HB 717:** Adams, Bennett, Blandford, Blythe, Brinkley, Bronger, Brown, Bruce, Burch, Cawood, Clapp, Clark, Craddock, Cyrus, Davenport, DeFalaise, Deskins, Dunn, Farrow, Foster, Freibert, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Kidd, Lewis, List, Little, Mann, May, McKinney, McNutt, Moberly, Noe, Petty, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Romines, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, White, Wilborn, Williams.

Representative Noe moved that the rules be suspended for the purpose of making a motion to withdraw as a co-sponsor. Agreed.

Representative Noe moved that his name be withdrawn as a co-sponsor of **HB 566.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Allen, **HB 349;** Representative Donnermeyer, **HB 119, HB 433;** Representative Ellington, **HB 17;** Representative Foster, **HB 222;** Representative Lewis, **HB 66;** Representative Romines, **HB 552;** Representative Hines, **HR 76.**

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to **HCR 42,** by Representative Weinberg, is as follows:

Amend printed copy of **HCR 42** on page 3, lines 6, 7, and 8 by inserting after the figure "$800,000" the following: "*. Such sum is merely an estimate pursuant to House Rule 63. Services are to be provided by the Legislative Research Commission.*" and by deleting the remainder of Section 4.

Floor Amendment No. 1 to Committee Substitute to **HB 20,** by Representative DeFalaise, is as follows:

Amend printed copy of Committee Substitute for **HB 20** on page 7, line 25, after the word "city" delete the period and before the words "Section 7" insert the following words and renumber subsequent sections accordingly: "; provided, however, if the annexation plan is remonstrated against pursuant to Section 7 of this Act, the effective date of the annexation shall not be until thirty (30) days after the certification of the vote in favor of annexation pursuant to subsection (3) of Section 7 of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) If following the publication of an annexation ordinance under authority of Section 6 of this Act and within sixty (60) days thereof, fifty percent (50%) of the resident voters or owners of real property within the limits of the territory proposed to be annexed petition the mayor in opposition to the proposal, an election shall be held at the next regular election occurring at least sixty (60) days after the petition is presented to the county clerk.

(2) The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, or if such territory is located in more than one (1) county, to the county clerks of such counties, who shall have printed on the ballot provided for use in each precinct embraced in whole or in part within the territory proposed to be annexed the question: "Are you in favor of being annexed to the City of ______________________?" If only a part of any precinct is embraced within the territory proposed to be annexed only persons who reside within the territory proposed to be annexed shall be permitted to vote. The clerk shall cause the sheriff or sheriffs to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex.

(3) If one-half (½) or more of the registered voters in the area to be annexed vote in favor of annexation, such territory shall become a part of the City as provided in subsection (3) of Section 6 of this Act.

(4) If less than one-half (½) of the registered voters in the area to be annexed vote in favor of annexation, the ordinance proposing annexation shall become ineffective for any purpose."

Floor Amendment No. 2 to Committee Substitute to **HB 20**, by Representative DeFalaise, is as follows:

Amend printed copy of Committee Substitute of **HB 20** on page 3, line 9 after the word "rates" insert the words "pursuant to Section 7 of this Act"; and

on page 7, line 25 after the word "city" and before the words "Section 7" insert the following new section and renumber subsequent sections accordingly:

"SECTION 7. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) A city shall tax property within the annexed area only in such amount as is commensurate with city services or facilities actually made available to the residents or property of the affected area including continuation of services provided prior to annexation.

(2) If services available from the city have been provided prior to annexation from another source in the annexed area, the city shall not tax for such services unless they are actually provided by the city as a lawful replacement for existing services."

Floor Amendment No. 3 to Committee Substitute to **HB 20**, by Representative DeFalaise, is as follows:

Amend printed copy of Committee Substitute for **HB 20** on page 8, line 20 by deleting the words "in accordance with the provisions of Section 7 of this Act."

Floor Amendment No. 4 to Committee Substitute to **HB 20**, by Representative DeFalaise, is as follows:

Amend printed copy of Committee Substitute for **HB 20** on page 8, line 15 by deleting lines 15 through 21 in their entirety.

and on page 8, line 21, after the period on line 21 and before "Section 8" on line 22 insert the following new section and renumber the subsequent sections accordingly:

"Section 8. KRS 81.110 is amended to read as follows:
(1) Within thirty (30) days after the enactment of an ordinance proposing to annex unincorporated territory to *any* [a first-class] city, or to reduce its limits, one or more residents or freeholders of the territory

proposed to be annexed or stricken off may file a petition in the circuit court of the county, setting forth the reasons why the territory or any part of it should not be annexed, or why the limits should not be reduced. Summons shall issue on the petition and be executed on the chief executive officer of the city, and the answer of the city shall be filed within twenty (20) days after service of the summons.

(2) In cities of the first class, the case shall be tried according to the practice prescribed for the trial of jury cases.

[(2)] If the jury finds, upon a hearing, that less than seventy-five per cent (75%) of the freeholders of the territory to be annexed or stricken off have remonstrated, and that the adding or striking off of the territory will be for the interest of the city, and will cause no manifest injury to the persons owning real estate in the territory sought to be annexed or stricken off, the annexation or reduction shall be approved and become final. If the jury finds that seventy-five per cent (75%) or more of the resident freeholders of the territory sought to be annexed or stricken off have remonstrated, the annexation or reduction shall not take place, unless the jury finds from the evidence that a failure to annex or strike off will materially retard the prosperity of the city, and of the owners and inhabitants of the territory sought to be annexed or stricken off, in which case the annexation or reduction shall take place notwithstanding the remonstrance.

(3) In cities of the second through the sixth class, the case shall be tried in the same manner and under the same procedure as for cities of the first class except that the proceedings in the circuit court shall be tried according to the practice prescribed for the trial of the equity cases, without the intervention of a jury.

(4)[(3)] An appeal from the judgment may be taken as in other cases[, but there shall be no change of venue from the county]. Costs shall follow the judgment.

(5)[(4)] The judgment shall, when entered, be certified to the city legislative body. *If the judgment is in favor of the city, the legislative body.*[, which] may thereupon annex to or strike from the city the territory described in the judgment, and the territory shall then become, or cease to become, a part of the city."

and on page 9, line 15 by deleting lines 15 through 17 in their entirety.

Floor Amendment No. 1 to Committee Substitute to **HB 110,** by Representative Farrow, is as follows:

Amend printed copy of Committee Substitute to **HB 110** on page 1, line 5 after the word "*marshal*" insert the words "*, deputy marshals, or police officers*".

Floor Amendment No. 1 to **HB 198,** by Representative Burnette, is as follows:

Amend printed copy of **HB 198** on page 2 by deleting lines 15 through 26 in their entirety.

and on page 3, line 1 by striking "*(7)*";

and on page 3, line 4 by striking "*(8)*", and also striking the brackets surrounding "(6)";

and on page 3, line 7 by striking "*(9)*", and also striking the brackets around "(7)";

and on page 3, line 9 by striking "*(10)*, and also deleting the brackets around "(8)";

and on page 3, after line 11 by inserting the following language: "*(9) Nothing in this section shall apply to motor vehicles registered under KRS 186.050 (4)(a) and (b).*"

Floor Amendment No. 2 to **HB 226,** by Representative Burnette, is as follows:

Amend printed copy of **HB 226** on page 1, line 9 by deleting the words "*ten (10)*" and removing the brackets from around the words "five (5)";

and on page 1, line 12, after the word "located" by inserting in lieu thereof the following language: "*, or any business as defined in subsection (3) where ten (10) or more junked, wrecked or non-operative automobiles, vehicles, machines and other similar scrap or salvage materials are deposited, parked, placed or otherwise located*";

and on page 1, line 13, after the number "(3)" by inserting the words: "*"Business" means any person engaged as an automobile dealer, body shop operator, wrecker service operator, service station operator or other activity which may buy, sell or repair non-operative vehicles, automobiles or machinery as a service. (4)*";

and on page 1, line 21, by bracketing "(4)" and inserting "*(5)*";

and on page 2, line 7, by bracketing "(5)" and inserting "*(6)*";

and on page 2, line 10, by bracketing "(6)" and inserting "*(7)*";

and on page 2, line 11, by bracketing "(7)" and inserting "*(8)*".

Floor Title Amendment to **HB 462,** by Representative Wilborn, is as follows:

Amend printed copy of **HB 462** on Title page by deleting the words "in local governments".

Floor Amendment No. 5 to **HB 462,** by Representative Wilborn, is as follows:

Amend printed copy of **HB 462** on page 11, line 19 by adding the following sections:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Revenue bonds" includes all revenue bonds issued by state agencies and by any county, city, other municipal corporation or agency.

(2) "Governmental unit" includes, but is not limited to, all state agencies, boards, authorities, quasipublic corporations, special districts, other organizations created by the state or an agency thereof, or a county, city, urban county government, or any unit or agency thereof.

SECTION 5. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

"(1) There is created a permanent subcommittee of the legislative research commission to be known as the bonded indebtedness oversight subcommittee. The subcommittee shall be composed of seven (7) members and shall include members of the house of representatives and members of the senate. The subcommittee shall include members of the minority party as nearly proportional to their membership in the general assembly as mathematically possible. The legislative research commission shall appoint, from the membership of the general assembly, the members of the subcommittee for terms of two (2) years. The members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly schedule meeting after the vacancy occurs.

(2) The subcommittee shall meet monthly, and may meet more frequently when necessary, at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with KRS 7.090(4) and (5).

SECTION 6. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS Chapter 56, 58, 65, 103, 117, 148, 151, 154, 157, 162, 164, 164A, 175, 177, 180, 183, 198A, 216, 224A, 247 or any other statute to the contrary, prior to the issuance and sale of definitive bonds or temporary bonds, or the securing of interim financing through bond anticipation notes, loan agreements or by any other means, all government units shall first obtain approval of the bonded indebtedness oversight subcommittee.

(2) Every governmental unit proposing an issuance of revenue bonds shall submit to the bonded indebtedness oversight subcommittee the following information:

(a) The name of the governmental unit proposing to issue the bonds;

(b) A statement of the action taken by any other unit of government with the authority to review or approve the bond issue;;

(c) The maximum amount, and any limitation on the maximum amount, of the bond issue;

(d) The maximum period for which the bonds shall be issued;

(e) The maximum interest rate;

(f) The sources of revenue, including general fund revenue, from which the bonds will be retired;

(g) The purpose for which the bonds are to be issued;

(h) The specific statutory authority authorizing the governmental unit to issue bonds and to accomplish the purpose for which the bonds are to be issued; and

(i) A statement that the governmental unit did, or did not consider alternative funding for the objective of the proposed bond issue and a summary of the alternative considered.

SECTION 7. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) At the close of each fiscal year each governmental unit shall report to the governor, auditor of public accounts, the clerks of the house of representatives and the senate, and the bonded indebtedness oversight subcommittee within thirty (30) days of the close of the fiscal year:

(a) The nature of each bond issue issued by the organization;

(b) The total amount of each bond issue and the interest rate of each issue;

(c) The amount of debt outstanding on each bond issue and the amount of the total debt service and annual debt service;

(d) All revenue, identified by source, utilized to pay the debt service on the bonds; and

(e) Any deficiencies in specific revenues pledged to each bond issue which must be supplemented by general fund or other revenues in order to meet the debt service on each bond issue, including the amounts of money required from each.

(2) All reports filed pursuant to this section shall be public records under KRS 61.870-61.884.

Floor Amendment No. 6 to **HB 462,** by Representative Blandford, is as follows:

Amend printed copy of **HB 462** on page 7, line 24 by deleting the word "*inclusive*" and inserting in lieu thereof, "*excluding condemnation powers under KRS 103.245*";

and on page 11, line 19 by adding the following:

"Section 4. KRS 103.245 is amended to read as follows:
(1) For purposes of the exercise of the power of eminent domain, "building" or "industrial building" shall be deemed to include the following: any building, structure, machinery, equipment or related improved site, area or edifice suitable for and intended for use as, or in connection with the use of, a factory, mill, shop, processing plant, assembly plant, fabricating plant, coal conversion facility, hospital, facility for the treatment or care of the aged or the infirm, medical office building contiguous or related to a hospital, terminal, port, agribusiness, or any other facility useful or to be used in support of or as a part of the operation of any of the foregoing, including any office building, warehouse, parking or pollution control area or structure or industrial transportation facility (including railroad tracks, and docks, wharves, grain handling and storage and other port facilities directly related thereto, but excluding rolling stock used outside of an industrial building), or any of these things, to be rented or leased to a domestic or foreign corporation by the Kentucky development finance authority, the city or the county by which it is acquired. A processing plant, within the meaning of this subsection shall include any plant established as a

manufacturer's distribution center for the packaging or redistribution of products, any product modification center, and any plant established for the purpose of processing minerals, including the washing, drying, separating, grading, preparing, sorting, and the loading thereof. As used in this subsection agribusiness means that segment of the manufacturing and service industries which processes raw agricultural products, including timber, provides value added functions, or supplies ingredients used for production of basic agricultural crops and products.

(2) An industrial building within the meaning of *subsection (1) of this section* [KRS 103.200] may be acquired by a city or a county by purchase, gift, or condemnation. Whenever a city or a county shall determine that land or other property, right of way, or easement over or through any property is needed by such city or county, as the case may be, to accomplish the purposes of KRS *103.210* [103.200] to 103.285, inclusive, it may by ordinance or resolution authorize the purchase or condemnation, in the name of such city or county, of said land or other property, or right of way or easement necessary for such purposes, and may proceed to condemn and acquire such property in the manner set forth in the Eminent Domain Act of Kentucky. All property, rights of way and easements already held by its owner or lessee for industrial development shall be exempt from condemnation under this section."

Floor Amendment No. 7 to **HB 462,** by Representative Dunn, is as follows:

Amend printed copy of **HB 462** on page 2, line 1 by inserting brackets before the word "Ports" and after the word "Facilities" on line 2;

and on page 8, lines 3 through 5 by deleting the words "and any riverport authority established as provided in KRS 65.510 to 65.650."

Floor Amendment No. 1 to Committee Substitute to **HB 289,** by Representative Heleringer, is as follows:

Amend printed copy of Committee Substitute to **HB 289** on page 1, line 8 by inserting the words:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 13, IS CREATED TO READ AS FOLLOWS:

Motor vehicle insurance rates shall be determined solely on the basis of the driving record of the insured and factors such as age, sex, marital status, race, and place of residence shall not be used to determine motor vehicle insurance rates."

Floor Amendment No. 1 to **HB 360** by Representative DeFalaise, is as follows:

Amend printed copy of **HB 360** on page 2, line 8 by adding after the word "geant." the following: "*If there are fewer than fifty (50) police officers on the police force, the merit board may waive this service requirement.*"

and on page 3, line 12 by adding after the word "herein." the following: "*If there are fewer than fifty (50) applicants for testing, the merit board may waive the requirements of this subsection and substitute other appropriate testing methods as determined by the board.*"

and on page 3, line 20 by deleting the parentheses around the numeral "(30)" so that it shall read "30";

and on page 3, line 21 by deleting the parentheses around the numeral "*(1)*" so that it shall read: "*1*".

Floor Amendment No 1 to **SB 53,** by Representative Cawood, is as follows:

Amend printed copy of **SB 53** on page 4, line 12 beginning with the words, "the amount of payments" and continuing through line 15 ending with the words "regardless of," by deleting the following phrase in its entirety: "*the amount of payments for similar services rendered by physicians within the same specialty of medical practice shall be equal regardless of*" and inserting in lieu thereof the following phrase, "*in so far as allowed by applicable federal law and regulation, the maximum amounts reimbursable for similar services rendered by physicians within the same specialty of medical practice shall not vary according to*".

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (Cont.)

HB 686, by Representative Weinberg: AN ACT relating to state personnel.

HB 687, by Representative Clarke: AN ACT relating to taxation.

HB 688, by Representative Clarke: AN ACT relating to taxation.

HB 689, by Representative Van Horn: AN ACT relating to collection of workers' compensation maintenance fund and special fund assessments.

HB 690, by Representative Cawood: AN ACT relating to disaster and emergency services.

HB 691, by Representative B. Richardson: AN ACT relating to securities.

HB 692, by Representative B. Richardson: AN ACT relating to insurance.

HB 693, by Representative LeMaster and B. Richardson: AN ACT relating to general appropriations to the Court of Justice for the operation, maintenance, support, and functioning of the judicial department of the Commonwealth of Kentucky.

HB 694, by Representative B. Richardson: AN ACT relating to banks.

HB 695, by Representative B. Richardson: AN ACT relating to building code officials.

HB 696, by Representative B. Richardson: AN ACT relating to securities.

HB 697, by Representative B. Richardson: AN ACT relating to investment companies.

HB 698, by Representative B. Richardson: AN ACT relating to securities.

HB 699, by Representative B. Richardson: AN ACT relating to mortgage loan companies and loan brokers.

HB 700, by Representative Kidd: AN ACT relating to insurance.

HB 701, by Representative List: AN ACT relating to hazardous waste management.

HB 702, by Representative List: AN ACT relating to penalties for violating environmental laws.

HB 703, by Representative List: AN ACT relating to solid and hazardous waste.

HB 704, by Representative Smith: AN ACT relating used oil recovery.

HB 705, by Representative Cyrus, Holbrook, Holloway, Turner and Priddy: AN ACT relating to workmen's compensation.

HB 706, by Representative Petty, Mann, McBee, and Donnermeyer: AN ACT relating to public transportation.

HB 707, by Representative B. Richardson: AN ACT relating to state depositories.

HB 708, by Representative Deskins: AN ACT relating to insurance.

HB 709, by Representative Deskins: AN ACT relating to blood and blood products.

HB 710, by Representative Deskins: AN ACT relating to insurance.

HB 711, by Representative Deskins: AN ACT relating to motor vehicle insurance.

HB 712, by Representative Deskins: AN ACT relating to motor vehicle insurance.

HB 713, by Representative Deskins: AN ACT relating to motor vehicle insurance.

HB 714, by Representative Deskins: AN ACT relating to incompetency proceedings in the court of justice.

HB 715, by Representative Cawood, Noe, and Barrows: AN ACT relating to floods.

HB 716, by Representative Deskins: AN ACT relating to eminent domain.

HB 717, by Representatives Kenton, B. Richardson, Arnold, Bendl, Bennett, Blandford, Brinkley, Bronger, Bruce, Deskins, Farrow, Gray, Hancock, Jones, LeMaster, List, Little, May, O'Brien, Richards, and Thomas: AN ACT relating to state property.

HCR 80, by Representative Curd: A CONCURRENT RESOLUTION petitioning the United States Congress to exclude retirement income for retired teachers from federal taxation.

HCR 81, by Representative Smith: A CONCURRENT RESOLUTION requesting a review of statutes relating to waste.

Posting of Bills and Resolutions for Consideration (Cont.)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Education: **HB 152.**

State Government: **HB 609, HB 572, SB 147.**

Judiciary: **HB 53, HB 321, HB 577.**

Energy: **HB 544, HB 601, SB 156.**

Transportation: **HB 440.**

Counties and Special Districts: **HB 549, HB 585, HB 326, HB 427, HB 519, HB 488, HB 562, HB 563.**

Motions, Petitions, and Communications (Cont.)

The following meetings were announced:

Health and Welfare: Friday, 9:30 a.m., Room 307.

Special Subcommittee on Surface Mining: Today on adjournment, Room 9.

First Term Members: Friday, 9:00 a.m., Room 327.

Representative B. Richardson moved that no other business be conducted on this day other than introduction of amendments. Agreed.

Representative B. Richardson moved that when the House adjourns on this day, it do so until Friday, February 29, 1980, 10:00 a.m. Agreed.

Representative B. Richardson moved that when the House adjourns on this day, it do so by voice vote. Agreed.

Representative Robinson filed the following Floor Amendment No. 1 to **HR 57:**

Amend printed copy of **HR 57** on page 2, in the second "WHEREAS," and after the word "dollars;" by deleting the word "and";

and on page 2, in the third "WHEREAS," and after the word "sites;" insert the word "and";

and on page 2, by inserting before the words, "NOW, THEREFORE," the following language:

"WHEREAS, the Commonwealth has expended, or anticipates expending through fiscal year 1980, approximately three million five hundred thousand dollars ($3,500,000) for the purchase and maintenance of the Kentucky nuclear waste disposal site, in addition to other administrative cost;";

and on page 3, before line 1 insert the following language:

"Section 2. That the federal government is requested and petitioned by the General assembly of Kentucky to reimburse the Commonwealth for the total cost which has been expended for the purchase and maintenance of the Kentucky nuclear waste disposal site, and for any future maintenance or administrative cost incurred by the Commonwealth related to the nuclear disposal site";

and on page 3, line 1 renumber the words "Section 2" to "Section 3";

and on page 3, line 8 renumber the words "Section 3" to "Section 4";

and on page 3, line 13 renumber the words "Section 4" to "Section 5".

Recess

Representative B. Richardson moved that the House recess until 6:15 p.m. Agreed.

At the appointed hour, the Speaker Pro Tempore assumed the Chair.

Adjournment

Representative Jones moved that the House adjourn until 10:00 a.m., Friday, February 29, 1980.

The motion to adjourn was adopted by voice vote.

FRIDAY, FEBRUARY 29, 1980

THIRTY-FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Donald L. Ryan, Chaplain, Kentucky Children's Home, Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of February 28, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 718, by Representatives Lewis, Dawahare, and Stumbo: AN ACT relating to surface mining.

HR 82, by Representatives Noe and Thomas: A RESOLUTION honoring State Representative Frank Smith upon being selected as an outstanding young man of Kentucky.

Report on Enrolled Bills

HB 21, HB 98, HB 137, HB 207, HB 341, and **HJR 8** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 684, HB 687, HB 688, HB 693.**

Banking and Insurance: **HB 691, HB 692, HB 694, HB 696, HB 697, HB 698, HB 699, HB 700, HB 707, HB 708, HB 710, HB 711, HB 712, HB 713, SB 170.**

Cities: **HB 683.**

Education: **SB 140.**

Energy: **HB 701, HB 702, HB 703, HB 704.**

Health and Welfare: **HB 709.**

Judiciary: **HB 714, HB 716, SB 17, SB 166.**

Labor and Industry: **HB 689, HB 705.**

Natural Resources and Environment: **HB 690, HB 715, HR 81.**

State Government: **HB 685, HB 686, HB 695, HB 717, HR 79, HR 80.**

Transportation: **HB 682, HB 706.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Banking and Insurance: **SB 32, HB 643, HB 656, HB 657, HB 658, HB 664.**

Health and Welfare: **HB 659.**

Judiciary: **HB 489.**

Report of Committees

The Committee on Rules reported **HB 20, HB 81, HB 151, HB 182, HB 319, HB 330, HB 370, HB 415, HB 416, HB 436, HB 467, HB 491, HR 49,** and **HCR 42** have been posted for passage in Orders of the Day, March 3, 1980.

The Committee on Rules reported **HB 466** has been recommitted to the Committee on State Government.

Calendar

HB 472, HB 568, SB 7, SB 76, HB 513, HB 538, HB 586, HB 119, HB 400, HB 433, HB 515, HB 516, HB 604, HB 144, and **HB 336** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 462, as amended by Committee Amendment No. 1 and Floor Amendments No. 1, 2, 3, and 4, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed.

Representative Blandford moved the adoption of the Floor Amendment No. 6 to **HB 462.** Agreed.

Representative B. Richardson moved that **HB 462,** as amended, be passed.

Representative Wilborn moved the adoption of the Floor Amendment No. 5 to **HB 462.**

On the roll call the vote was yeas 29-Allen, Arnold, Barrows, Blythe, Boswell, Cawood, Clapp, Clark, Clarke, Farrow, Head, Holbrook, Johnson, Layman, Maynard, McNutt, Moberly, Patrick, Rapier, Riner, Romines, Stumbo, Thomas, Tobin, Van Horn, Weinberg, White, Wilborn, Worthington. Nays 64-Adams, Bendl, Bennett, Blair, Blandford, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Heleringer, Holloway, Isler, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Plummer, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Sale, Schmidt, Smith, Stone, Thomason, Turner, Williams, Wright, Yates.

Floor Amendment No. 5 to **HB 462** was rejected.

On the roll call the vote was yeas 87-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Weinberg, Williams, Worthington, Wright, Yates. Nays 10-Allen, Clarke, Holbrook, Johnson, Layman, Maynard, McNutt, Patrick, Van Horn, Wilborn.

HB 462, as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 462,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 360, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeFalaise moved the adoption of Floor Amendment No. 1 to **HB 360.** Agreed.

Representative Priddy moved that **HB 360,** as amended, be passed.

On the roll call the vote was yeas 88-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 3-Allen, Fryman, Turner.

HB 360, as amended, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 360,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 110, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved the adoption of the Committee Substitute to **HB 110.** Agreed.

Representative Farrow moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 110.** Agreed.

Representative Farrow moved that **HB 110,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 59-Barrows, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Cawood, Clark, Cyrus, DeFalaise, Deskins, Dunn, Farrow, Foster, Freibert, Gray, Haering, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, McBee, McKinney, McNutt, Moberly, Morris, Nett, Overstreet, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Romines, Sale, Stone, Stumbo, Thomason, Van Horn, Weinberg, Wilborn, Williams, Yates. Nays 28-Adams, Allen, Arnold, Blythe, Burch, Burnette, Caldwell, Clapp, Clarke, Craddock, Crupper, Curd, Davenport, Dawahare, DeMarcus, Ellington, Fryman, Hancock, Maynard, O'Brien, Patrick, Pearman, P. Richardson, Riner, Robinson, Thomas, Tobin, White.

HB 110, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Farrow moved that the vote by which **HB 110,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 164 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved that **HB 164** be passed.

On the roll call the vote was yeas 55-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Burch, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Gray, Heleringer, Hines, Isler, Johnson, Kenton, LeMaster, List, Little, Mann, May, McKinney, Moberly, Nett, Noe, Pearman, Petty, Priddy, B. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomason, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 40-Adams, Allen, Blair, Blythe, Brinkley, Bruce, Burnette, Clapp, Craddock, Davenport, DeMarcus, Ellington, Foster, Freibert, Fryman, Guenthner, Haering, Head, Holbrook, Holloway, Jones, Layman, Lewis, McBee, McNutt, Morris, O'Brien, Overstreet, Patrick, Plummer, Rapier, Rattliff, Richards, P. Richardson, Robinson, Schmidt, Thomas, Tobin, Turner, Wright.

HB 164 was passed and the title agreed to.

Representative Williams moved that the vote by which **HB 164** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 316 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 316** be passed.

On the roll call the vote was yeas 86-Adams, Allen, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Weinberg.

HB 316 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 316** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 392, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of the Committee Amendment No. 1 to **HB 392.** Agreed.

Representative Burch moved that **HB 392,** as amended, be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright. Nays 0.

HB 392 was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 392** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 32, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Heleringer moved the adoption of the Committee Amendment No. 1 to **HR 32.** Agreed.

Representative Heleringer moved that **HR 32,** as amended, be passed.

On the roll call the vote was yeas 43-Barrows, Bendl, Blandford, Brown, Burch, Caldwell, Cawood, Clarke, Craddock, Cyrus, Dawahare, Donnermeyer, Foster, Gray, Head, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Little, Lundergan, Mann, McBee, McKinney, McNutt, Moberly, Nett, Noe, Petty, B. Richardson, Sale, Stone, Stumbo, Tobin, Van Horn, Weinberg, Wilborn, Williams, Worthington. Nays 33-Allen, Bennett, Blair, Blythe, Boswell, Bronger, Burnette, Clark, Crupper, Curd, DeMarcus, Dunn, Freibert, Fryman, Guenthner, Haering, Hancock, Holbrook, Holloway, Layman, Lewis, Morris, O'Brien, Overstreet, Patrick, Pearman, Rapier, P. Richardson, Riner, Robinson, Schmidt, Turner, Wright.

HR 32, as amended, was passed and the title agreed to.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 130** had been examined and found correctly enrolled. **HB 130** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day (continued)

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Speaker Pro Tempore Hancock presiding.

Representative Mann moved that **HB 701, HB 702, HB 703,** and **HB 704** be returned to the Committee on Committees for reassignment.

On the roll call the vote was yeas 39-Adams, Barrows, Bendl, Bennett, Blandford, Boswell, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dunn, Foster, Freibert, Gray, Isler, Layman, LeMaster, Lewis, List, Little, Mann, Maynard, O'Brien, Priddy, Rapier, Richards, Smith, Stone, Thomas, Thomason, Van Horn, Weinberg, Williams, Worthington, Wright. Nays 2-Blythe, Noe.

The motion that **HB 701, HB 702, HB 703,** and **HB 704** be returned to the Committee on Committees for reassignment was adopted.

Representative Allen moved that his name be withdrawn from **HB 349.** Agreed.

Representative Isler moved that **HB 265** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 35-Bendl, Bennett, Blandford, Blythe, Boswell, Brown, Caldwell, Cawood, Clapp, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Foster, Freibert, Gray, Isler, Layman, Lewis, McBee, Overstreet, Pearman, Petty, Priddy, Rapier, Schmidt, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Wright, Yates. Nays 3-Kidd, Morris, O'Brien.

The motion that **HB 265** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative Blythe moved that he be recorded as voting "yea" on **HB 316.** Agreed.

Representative LeMaster moved that the rules be suspended to act upon two Resolutions. Agreed.

Representative LeMaster moved the adoption of the following **HR 75:**

HR 75, A RESOLUTION honoring the University of Kentucky basketball team.

WHEREAS, the University of Kentucky Wildcat basketball team captured the Southeastern Conference Championship on February 24, 1980 by defeating the L.S.U. Tigers on their home court; and

WHEREAS, this is the 32nd Southeastern Conference Basketball Championship to be won by the "Cats" in its long and illustrious history, an accomplishment unparalleled in the annals of collegiate sport; and

WHEREAS, this is the fifth S.E.C. title that has been claimed in the eight years that the honorable Joe B. Hall has served as head coach; and

WHEREAS, Kentuckians throughout the world are extremely proud of this edition of the "Big Blue" and wish to recognize these outstanding young men for the countless hours of study and preparation that they devoted to winning this prestigious championship;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the players, Coach Joe B. Hall and his staff be congratulated and applauded for winning the 1980 Southeastern Conference Championship.

Section 2. That the Clerk of the House be directed to forward a copy of this resolution to Coach Joe B. Hall.

HR 75 was adopted by voice vote.

Representative LeMaster moved the adoption of the following **HR 76:**

HR 76, A RESOLUTION honoring the 1980 University of Louisville Basketball Cardinals and Coach Denny Crum upon winning the Metro-7 Conference Title.

WHEREAS, the 1980 University of Louisville Basketball Cardinals, coached by Denny Crum, ended the regular season of play with a 26-3 record; and

WHEREAS, the 1980 University of Louisville Basketball Cardinals held an 18 game winning streak during the season; and

WHEREAS, the 1980 University of Louisville Basketball Cardinals are the first team in the five-year history of the Metro-7 Conference to boast of a perfect season (12-0) in conference play;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body honors and congratulates the 1980 University of Louisville Basketball Cardinals and Coach Denny Crum upon winning the Metro-7 Conference Title.

Section 2. That the Clerk of the House be directed to transmit a copy of this resolution to the members of the 1980 University of Louisville Basketball Cardinals, as well as, Coach Denny Crum and his entire coaching staff.

HR 76 was adopted by voice vote.

Representative Ellington moved that he be recorded as voting "nay" on **HB 98.** Agreed.

Senate Message

Announcing passage of **SB 68, SB 39, HB 102,** and **HB 104.**

Motions, Petitions, and Communications (continued)

Representative Noe moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Noe moved the adoption of the following **HR 82:**

HR 82, A RESOLUTION honoring State Representative Frank Smith upon being selected as an outstanding young man of Kentucky.

WHEREAS, Representative Frank Smith was recently chosen by the Kentucky Jaycees as one of five outstanding young men of Kentucky; and

WHEREAS, Representative Frank Smith exemplifies many of the highest qualities of character, leadership, and proven ability to be found among men today; and

WHEREAS, Representative Frank Smith, as well as, the other young men selected, has provided, and continues to provide, the kind of innovative programs and creative leadership necessary to the vigorous growth of our Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House honors and commends Representative Frank Smith for his outstanding service to his organization, his state, and his fellow man.

Section 2. That the Clerk of the House be directed to transmit a copy of this resolution to Representative Frank Smith, an outstanding young man of Kentucky.

On the roll call the vote was yeas 57-Adams, Allen, Barrows, Bendl, Bennett, Boswell, Brinkley, Bronger, Brown, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Dunn, Farrow, Foster, Freibert, Fryman, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, List, Lundergan, Mann, May, Maynard, McBee, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, Riner, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Wilborn, Worthington, Wright. Nays 0.

HR 82 was adopted.

Representative Thomas moved that **HB 634** be withdrawn.

On the roll call the vote was yeas 41-Adams, Allen, Barrows, Bendl, Bennett, Boswell, Brown, Caldwell, Cawood, Clark, Craddock, Crupper, Dawahare, Deskins, Dunn, Freibert, Fryman, Head, Holbrook, Holloway, Isler, Kidd, LeMaster, List, Lundergan, Mann, McBee, Nett, Noe, O'Brien, Overstreet, Pearman, Priddy, Rapier, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn. Nays 0.

The motion that **HB 634** be withdrawn was adopted.

Representative Adams requested that he be recorded as voting "yea" on **SB 91.** Agreed.

Representative Kidd moved that she be recorded as voting "yea" on **HR 82.** Agreed.

Representative May moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 719, by Representative Deskins: AN ACT relating to mining.

HB 720, by Representatives Romines and Priddy: AN ACT relating to alcoholic beverage control in counties containing cities of the first class.

HB 721, by Representative Mann: AN ACT relating to police and firefighter retirement systems in cities of the second class.

HB 722, by Representatives Donnermeyer and Petty: AN ACT relating to police and fire fighter retirement systems.

HB 723, by Representative Richards: AN ACT relating to the establishment of child learning centers.

HB 724, by Representatives Jones, Craddock, Clarke, Hancock, List, Adams, and Blythe: AN ACT relating to prevailing wages.

HB 725, by (Joint Sponsors) Representatives Hines, Kenton, and Nett: AN ACT proposing to amend the Constitution of Kentucky by creating a new section thereof relative to property assessments.

HB 726, by Representative Thomason: AN ACT relating to juvenile proceedings.

HB 727, by Representative Thomason: AN ACT relating to county law libraries.

Posting of Bills and Resolutions (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Natural Resources and Environment: **HCR 81.**

Education: **HB 395, SB 142.**

Business Organizations and Professions: **HB 663, HB 290, HB 531, HB 653, HB 613.**

Banking and Insurance: **HB 627, HB 652, HB 642.**

Report of Committees (continued)

The Committee on Health and Welfare reported **HB 141,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 141, AN ACT relating to controlled substances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO READ AS FOLLOWS:

(1) Any person who knowingly and unlawfully traffics in or transfers a controlled substance classified in Schedules I or II which is a narcotic drug shall, for the first offense, be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than ten (10) years nor more than twenty (20) years or be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000), or both.

(2) Any person who knowingly and unlawfully traffics in a controlled substance classified in Schedules I or II other than a narcotic drug, except marijuana, or in any controlled substance, classified in Schedule III shall, for the first offense, be confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than five (5) nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(3) Any person who knowingly and unlawfully traffics in any controlled substance classified in Schedules IV or V or transfers any controlled substance other than a narcotic drug except marijuana, classified in Schedules I, II, or III shall, for the first offense, be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both, and for each subsequent offense shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(4) Any person who knowingly and unlawfully possesses a controlled substance classified in Schedules I, II, or III which is a narcotic drug shall be, for the first offense, confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both and for each subsequent offense shall be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(5) Except as otherwise provided in this section, any person who knowingly and unlawfully possesses any controlled substance classified in Schedules I, II, or III which is not a narcotic drug, except marijuana, or of any controlled substances classified in Schedules IV, or V, shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(6) Any person who knowingly and unlawfully possesses for his own use or transfers thirty (30) grams or less of marijuana shall be confined in the county jail for not more than ninety (90) days or be fined not more than two hundred and fifty dollars ($250).

(7) Any person who knowingly and unlawfully manufactures or sells thirty (30) grams or less of marijuana shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(8) Any person who knowingly and unlawfully manufactures, sells, possesses, or transfers more than thirty (30) grams but less than five (5) pounds of marijuana shall be confined in the penitentiary for not less than one (1) nor more than five (5) years and be fined not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000).

(9) Any person who knowingly and unlawfully manufactures, sells, possesses, or transfers five (5) pounds but not more than fifty (50) pounds of marijuana shall be confined in the penitentiary for not less than five (5) nor more than ten (10) years and be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000).

(10) Any person who knowingly and unlawfully manufactures, sells, possesses, or transfers more than fifty (50) pounds of marijuana shall be confined in the penitentiary for not less than ten (10) nor more than twenty (20) years and be fined not less than two hundred and fifty thousand dollars ($250,000).

(11) Any person found guilty of possession of any controlled substance pursuant to subsection (5) of this section shall for a first offense, be ordered to a facility designated by the secretary for human resources where a program of treatment and rehabilitation not to exceed one (1) year in duration shall be prescribed. Any person found guilty of violating subsection (6) of this section may be ordered to such facility where a program of education, treatment, and rehabilitation not to exceed ninety (90) days in duration shall be prescribed.

(a) The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If, without good cause, the person fails to appear at the designated facility within the specified time, or if at any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than one (1) year or a fine of not more than five hundred dollars ($500) or both for persons found guilty of violating subsection (5) of this section, or not more than ninety (90) days or a fine of not more than two hundred and fifty dollars ($250) or both for persons found guilty of violating subsection (6) of this section. Upon discharge of the person from the facility by the secretary for human resources or his designee prior to the expiration of the prescribed period of treatment or upon satisfactory completion of the prescribed treatment program, the person shall be deemed finally discharged from sentence. The secretary or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which a person sentenced by that court under this chapter shall be initially ordered.

(c) In the case of a person ordered to a facility for treatment and rehabilitation pursuant to this chapter, transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five (5) days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary for human resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment of patients and others for services rendered by the department for human resources unless the person and the facility shall arrange otherwise.

(g) Any person found guilty of a subsequent offense of possession of controlled substances in violation of subsection (5) of this section shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(h) Prior to the imposition of sentence upon conviction of a second or subsequent offense of possession of controlled substances in violation of subsection (5) of this section, the court shall obtain a report of case progress and recommendations regarding further treatment from the facility at which the person was treated following his first conviction. If such material is not available, the court shall notify the secretary for human resources, and the secretary shall cause the person to be examined by a psychiatrist employed by the department to evaluate his mental condition and to make recommendations regarding treatment and rehabilitation to the court which shall make the report available to the prosecuting attorney and the attorney for the dependant. The court shall take such reports into consideration in determining sentence. The secretary may decline to cause such examination to be made if the number of psychiatrists on duty in the department is insufficient to spare one from his regular duties or if no such service may be purchased at regular departmental rates, in such event the secretary shall notify the clerk of the court to that effect within three (3) days after receipt of notification by the court.

(i) For purposes of this section, an offense is considered a second or subsequent offense, if, prior to his conviction of the offense, the offender has at any time been convicted under this chapter or under any statute of the United States or of any state relating to the substances classified as controlled substances.

(j) None of the provisions of this subsection shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(k) In the case of any person who has been convicted of possession of marijuana or who has been convicted for the first time of possession of any other controlled substance, the court may set aside and void the conviction upon satisfactory completion of treatment, probation, or other sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime. Voiding of conviction under this subsection and dismissal may occur only once with respect to any person convicted of possession of a controlled substance excluding marijuana.

(12) Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules I, II, or III shall be guilty of a felony and shall be punished by confinement in the penitentiary for not less than one (1) year nor more than five (5) years, or by a fine of not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(13) Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules IV or V shall be guilty of a felony and shall be punished by not less than one (1) year nor more than three (3) years imprisonment, or by a fine of not less than one thousand dollars ($1,000) nor more than three thousand dollars ($3,000), or both.

(14) Any person who violates subsection (6) of KRS 218A.140 or who violates any other provision of this chapter, for which a specific penalty is not otherwise provided, shall be guilty of a misdemeanor and shall upon conviction be imprisoned for not more than ninety (90) days or fined not more than five hundred dollars ($500), or both.

(15) Any person subject to the terms of imprisonment under subsections (1), (2), (3), (7), (8), (9), or (10) of this section shall be required to serve a minimum of one-third (⅓) of the sentence mandated by the subsections before becoming eligible for parole, probation, conditional discharge, or other form of early release.

(16) Any person who involves a person under eighteen (18) years of age in the sale or transfer of any controlled substance shall be confined in the penitentiary for not less than one (1) year nor more than five (5) years and be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000).

Section 2. KRS 218A.990, Penalties, is repealed.

The Committee Amendment to **HB 141** is as follows:

Amend printed copy of **HB 141,** page 3, line 14, by deleting the words "thirty (30) grams" and inserting in lieu thereof the words "one (1) pound"

And on line 19, by deleting the words "thirty (30) grams" and inserting in lieu thereof the words "one (1) pound"

And on lines 24 and 25, by deleting the words "thirty (30) grams" and inserting in lieu thereof the words "one (1) pound"

And on page 4, line 6, by deleting the words "but not more than fifty (50) pounds" and inserting in lieu thereof the words "or more"

And on page 4, by deleting lines 11 through 16 and renumbering the remaining subsections to conform

And on page 10, line 5, by inserting a comma, ",", after the word "sale", and by deleting the word "or" on said line, and by inserting the words "or use" following the word "transfer" on said line.

Motions, Petitions and Communications (continued)

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 10 to Committee Substitute to **HB 86,** by Representative Thomason, is as follows:

Amend printed copy of House Committee Substitute for **HB 86,** page 1, line 14, by removing the period "." and by inserting in lieu thereof the following: "*, when the abused person makes a signed, written complaint in the presence of the officer and tenders the document to the officer (in the case of an abused child the complaint may be made by a parent or guardian).*"

And on page 1, after line 18, by inserting the following:

"*(4) For purposes of subsection (2) of this section a "peace officer" is a full time sworn officer of the Kentucky State Police, a full time city policeman, a full time county policeman, a full time city-county policeman, a duly elected sheriff, or a full time paid deputy sheriff.*"

Floor Amendment No. 1 to **HB 182,** by Representative Riner, is as follows:

Amend printed copy of **HB 182,** page 2, line 11, by deleting lines 11 through 16 and by deleting lines 7 through 9 on page 3.

By adding on line 11, page 2, the following language:

"No person permitted, under the provisions of this section, to engage in a retail business on Sunday shall be open to the public between the hours of 6 a.m. and 6 p.m. on any Sunday.", and by renumbering subsections appropriately.

Floor Amendment No. 2 to **HB 498,** by Representative Holbrook, is as follows:

Amend printed copy of **HB 498,** page 1, line 11, after "*and Loan System*" by adding *Subchapter C of* before *Title 12*;

And on line 13, after *without* and before *security*, inserting *a first mortgage lien on real estate as*; and

On line 15 through 20, by deleting *Savings and loan associations may also invest in loans insured under Title I and Title II of the National Housing Act, loans insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended, or loans under Chapter 37 of Title 38, United States Code.* and

On page 2, line 1, after *associations* and before *shall*, by inserting *making such loans*; and

On page 2, line 5, after *associations* and before *is*, by inserting *making such loans.*

Representative May moved that when the House adjourns, it do so until Monday, March 3, 1980 at the hour of 4 p.m. Agreed.

Representative May moved that when the House adjourns on this day, it do so by voice vote. Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

Representative List filed a request to have his name added as co-sponsor of **HB 532.**

Announcements

The following meetings were announced:

Counties and Special Districts: On adjournment at meeting of Committee on Rules, Room 307.

Appropriations and Revenue: Special meeting, Monday, 1 p.m., Room A.

Appropriations and Revenue: Regular meeting Tuesday.

Elections and Constitutional Amendments: Special meeting, Monday, 1 p.m., Room 3C.

Adjournment

Representative May moved that the House adjourn until 4 p.m., Monday, March 3, 1980.

The motion to adjourn was adopted by voice vote.

MONDAY, MARCH 3, 1980

THIRTY-FIFTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Petty.

Representative Isler moved that absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of February 29, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 728, by Representatives Noe, Thomas, and Smith: AN ACT relating to sick leave payment or credit for retiring state employes, and making an appropriation therefor.

HB 729, by Representative Blandford: AN ACT relating to governor's council on agriculture.

HB 730, by Representatives Blandford and Boswell: AN ACT relating to soil conservation districts.

HB 731, by Representative Van Horn: AN ACT relating to pay toilets in public buildings.

HB 732, by Representative B. Richardson: AN ACT relating to regulation of mobile homes and recreational vehicles.

HB 733, by Representative B. Richardson: AN ACT relating to securities.

HB 734, by Representative Adams: AN ACT relating to utility services.

HB 735, by Representative Adams: AN ACT relating to the licensing of motor vehicles.

HB 736, by Representative Smith: AN ACT relating to revenue and taxation.

HB 737, by Representative Overstreet: AN ACT relating to auctioneers.

HB 738, by Representative Burch: AN ACT relating to hairdressers and cosmetologists.

HB 739, by Representative List: AN ACT relating to the construction of public works.

HB 740, by Representative List: AN ACT relating to public procurement.

HB 741, by Representative List: AN ACT relating to redistricting in urban-county governments.

HB 742, by Representative Burnette: AN ACT relating to precinct election officers.

HB 743, by Representatives Richards and Adams: AN ACT relating to the state plumbing code.

HB 744, by Representatives Van Horn, Dunn, Gray, and Bennett: AN ACT relating to city or urban-county employe payroll deductions.

HB 745, by Representative Smith: AN ACT relating to public utilities.

HB 746, by Representative B. Richardson: AN ACT relating to plumbers and plumbing.

HB 747, by Representative Wilborn: AN ACT relating to special districts.

HB 748, by Representative Jones: AN ACT relating to the refund of taxes.

HB 749, by Representative Pearman: AN ACT relating to net court revenues.

HB 750, by Representative Pearman: AN ACT relating to planning and zoning.

HB 751, by Representatives Mann and Donnermeyer: AN ACT relating to the sale and merchantability of new motor vehicles.

HB 752, by Representative Stumbo: AN ACT relating to mining.

HB 753, by Representative Stumbo: AN ACT relating to mining.

HB 754, by Representative Stumbo: AN ACT relating to mining.

HB 755, by Representative Donnermeyer: AN ACT relating to the treatment and rehabilitation of alcoholics and persons intoxicated or incapacitated by alcohol.

HB 756, by Representative Stumbo: AN ACT relating to tourism and making an appropriation therefor.

HB 757, by Representative Cyrus: AN ACT relating to the bureau of highways.

HB 758, by Representative Mann: AN ACT relating to detention facilities and jailers.

HB 759, by Representative Mann: AN ACT relating to local option.

HCR 83, by Representatives Boswell, Thomason, and Head: A CONCURRENT RESOLUTION urging Congress and President Carter to support Senate Bill 2050.

HCR 84, by Representative Weinberg: A CONCURRENT RESOLUTION directing the Legislative Research Commission to conduct a comprehensive inventory and evaluation of local law library resources and facilities and identify and evaluate alternatives for improving and upgrading local law library resources and facilities which are provided for local and state officers in the Commonwealth.

HR 85, by Representatives Richards, Curd, Bruce, and Adams: A RESOLUTION adjourning in honor of the 1980 Murray State University Basketball Racers and the Western Kentucky University Basketball Hilltoppers, co-champions of the Ohio Valley Conference Title.

HR 86, by Representative Freibert: A RESOLUTION encouraging consideration for expansion of elementary guidance and counseling programs.

HCR 87, by Representatives Noe, Deskins, Weinberg, Stone, Cawood, and Head: A CONCURRENT RESOLUTION directing the formation of a special coal utilization task force to propose policy for the development of coal resources in the Commonwealth and recommend legislation concerning coal for the 1982 General Assembly.

Report on Enrolled Bills

HB 130 delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Business Organizations and Professions: **HB 720.**

Cities: **HB 721, HB 722.**

Education: **HB 723.**

Elections and Constitutional Amendments: **HB 725.**

Health and Welfare: **SB 39.**

Judiciary: **HB 726, HB 727.**

Natural Resources and Environment: **HB 701, HB 702, HB 703, HB 704, HB 718, HB 719.**

State Government: **HB 724.**

Transportation: **SB 68.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Agriculture and Small Business: **HB 473, HB 674, HB 662, HR 73.**

Cities: **SB 22, HB 610, HB 683.**

Banking and Insurance: **HB 700.**

State Government: **HB 518, HB 271.**

The Clerk announced the following Bills and Resolutions have been withdrawn from Committee consideration:

Cities: **HB 191, HB 223.**

Report of Committees

The Committee on Rules reported **HB 48, HB 400, HB 432, HB 433, HB 472, HB 513, HB 547, HB 568, HB 604,** and **SB 53** have been posted for passage in Orders of the Day, March 4, 1980.

The Committee on Rules reported **HB 263** has been recommitted to the Committee on Agriculture and Small Business.

The Committee on Rules reported **HB 504** has been recommitted to the Committee on Appropriations and Revenue.

The Committee on Appropriations and Revenue reported **HB 499** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 499, AN ACT relating to corporation income tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 141.010 is amended to read as follows:
As used in this chapter, unless the context requires otherwise:
(1) "Commissioner" means the commissioner of revenue;
(2) "Department" means the department of revenue;
(3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, *1979* [1977], exclusive of any amendments made subsequent to that date;
(4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;

(5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;

(6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;

(7) "Individual" means a natural person;

(8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;

(9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) [Exclude undistributed income or any losses attributed to shareholders of a corporation which has elected to be taxed under subchapter S of chapter 1 of the Internal Revenue Code;

(c)] Exclude income from supplemental annuities provided by the railroad retirement act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;

(c)[(d)] Include interest income derived from obligations of sister states and political subdivisions thereof;

(10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by section 62 of the Internal Revenue Code and adjusted as follows, except that deductions shall be limited to amount allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Include all overpayments of federal income tax refunded or credited to the taxpayer during the taxable year;

(b) Deduct federal income tax;

(11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus all the deductions allowed individuals by Chapter 1 of the Internal Revenue Code and by Section 214 of the Internal Revenue Code as it existed on December 31, 1975 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) [The net operating loss deduction allowed under section 172 of the Internal Revenue Code;

(b)] Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;

(b)[(c)] Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(h);

(c)[(d)] The deduction for personal exemptions allowed under section 151 of the Internal Revenue Code and any other deductions in lieu thereof;

(12) "Gross income," in the case of corporations, means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude all dividend income received after December 31, 1969;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;

(e) Include in the gross income of lessors income tax payments made by lessees to lessors under the provisions of section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;

(f) Include the amount calculated under KRS 141.205;

(g) Ignore the provisions of section 281 of the Internal Revenue Code in computing gross income;

(13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus all the deductions from gross income allowed corporations by chapter 1 of the Internal Revenue Code, except the following:

(a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the

Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;

(b) The deductions contained in sections [172,] 243, 244, 245, and 247 of the Internal Revenue Code;

(c) The provisions of section 281 of the Internal Revenue Code shall be ignored in computing net income;

(d) Any deduction directly or indirectly allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter, and nothing in this chapter shall be construed to permit the same item to be deducted more than once;

(14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income" as defined in subsection (13) of this section; and

(b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120.

(c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;

(15) "Person" means "person" as defined in section 7701(a)(1) of the Internal Revenue Code;

(16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the commissioner, "taxable year" means the period for which such return is made;

(17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than 183 days of the taxable year in this state;

(18) "Nonresident" means any individual not a resident of this state;

(19) "Employer" means "employer" as defined in section 3401(d) of the Internal Revenue Code;

(20) "Employe" means "employe" as defined in section 3401(c) of the Internal Revenue Code;

(21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;

(22) "Wages" means "wages" as defined in section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), and (q) of the Internal Revenue Code;

(23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;

(24) "Corporations" means "corporations" as defined in section 7701(a)(3) of the Internal Revenue Code.

(25) "Electing small business corporations" means "electing small business corporations" as defined in Section 1371(b) of the Internal Revenue Code.

Section 2. KRS 141.011 is amended to read as follows:

Notwithstanding any other provision of this Act, the net operating loss carryback-carryforward deduction, including casualty loss, allowed under Section 172 of the Internal Revenue Code shall apply only to such losses incurred in taxable years beginning after December 31, 1979 and no such loss shall be carried back to taxable years beginning before January 1, 1980. Any casualty loss carryforward authorized by this section as it existed before January 1, 1980 may be carried forward as an itemized deduction until it has been fully deducted [(1) Any casualty loss occurring after December 31, 1976, and allowable under Section 165 (c) of the internal revenue code, shall be deducted by an individual from adjusted gross income for the year in which the loss occurred, or, in the case of disaster losses allowable under Section 165 (h) of the internal revenue code, may be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred. Notwithstanding KRS 141.010 (11), any such remaining casualty or disaster loss may be carried forward and deducted from adjusted gross income in succeeding years until it has been fully deducted.

(2) This section shall be known as the Herbie Deskins-Kelsey Friend Tax Relief for Flood Victims Act].

Section 3. KRS 141.040 is amended to read as follows:

Every corporation organized under the laws of this state, every corporation having its commercial domicile as defined in KRS 141.120(1)(b) in this state, and every foreign corporation owning or leasing property located in this state or having one or more individuals receiving compensation as defined in KRS 141.120(8)(b) in this state, except *those corporations listed in paragraphs (a) through (h) of this subsection shall pay for each taxable year a tax to be computed by the taxpayer on taxable net income at the rates* *specified in subsections (2), (3) and (4) of this section:* [state and national banks and trust companies, savings and loan associations organized under the laws of this state and under the laws of the United States and making loans to members only, banks for cooperatives, production credit associations, insurance companies, including farmers' or other mutual hail, cyclone, windstorm or fire insurance companies, insurers and reciprocal underwriters, those corporations exempted by section 501 of the Internal Revenue Code, and any other religious, educational, charitable or like corporations not organized or conducted for pecuniary profit, shall pay for each taxable year a tax to be computed by the taxpayer upon the taxable net income of the corporation at the rate of four percent (4%) of the first twenty-five thousand dollars ($25,000) and five and eight-tenths percent (5.8%) of the excess.]

(a) Electing small business corporations;

(b) State and national banks and trust companies;

(c) Saving and loan associations organized under the law of this state and under the laws of the United States and making loans to members only;

(d) Banks for cooperatives;

(e) Production credit associations;

(f) Insurance companies, including farmers or other mutual hail, cyclone, windstorm, or fire insurance companies, insurers and reciprocal underwriters;

(g) Corporations exempt under Section 501 of the Internal Revenue Code; and

(h) Religious, educational, charitable or like corporations not organized or conducted for pecuniary profit.

(2) For tax years ending on or before December 31, 1979, the tax rate is four percent (4%) of the first twenty-five thousand dollars ($25,000) and five and eight-tenths percent (5.8%) of the excess.

(3) For tax years beginning on and after January 1, 1980, the following rates shall apply:

(a) Three percent (3%) of the first twenty-five thousand dollars ($25,000) taxable net income;

(b) Four percent (4%) of the amount of taxable net income in excess of twenty-five thousand dollars ($25,000) but not in excess of fifty thousand dollars ($50,000);

(c) Five percent (5%) of the amount of taxable net income in excess of fifty thousand dollars ($50,000), but not in excess of one hundred thousand dollars ($100,000);

(d) Six percent (6%) of the amount of taxable net income in excess of one hundred thousand dollars ($100,000).

(4) For tax years beginning in 1979 and ending in 1980 the tax shall be the sum of the amounts determined in paragraphs (a) and (b) as follows:

(a) Apply the tax rates in subsection (2) of this section to the taxable net income for the year and multiply the result by a fraction the numerator of which is the number of days from the first day of the taxable year through December 31, 1979, and the denominator of which is the total number of days of the taxable year;

(b) Apply the tax rates in subsection (3) of this section to the taxable net income for the year and multiply the result by a fraction the numerator of which is the number of days from January 1, 1980, through the last day of the taxable year and the denominator of which is the total number of days of the taxable year.

(5) Every electing small business corporation shall pay the tax imposed under subsection (1) of this section whenever the net capital gain of such corporation exceeds twenty-five thousand dollars ($25,000), and exceeds fifty percent (50%) of its taxable income for the taxable year and its taxable income for such year exceeds twenty-five thousand dollars ($25,000). The tax imposed by this subsection shall be the lower of:

(a) The tax determined by applying the rates in this section to the capital gains, in excess of twenty-five thousand dollars ($25,000), determined under the Internal Revenue Code; or

(b) The tax determined by applying the rates in this section to the taxable income, in excess of twenty-five thousand dollars ($25,000), determined under Chapter 1 of the Internal Revenue Code.

Section 4. The provisions of this Act shall apply to taxable years beginning after December 31, 1979 unless otherwise stated.

Calendar

HB 141 taken from Orders of the Day and ordered read at length for the second time. Representative B. Richardson moved that it be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 86, by way of Committee Substitute as amended by Floor Amendment No. 2 and Floor Amendment No. 4, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Floor Amendment No. 7 to the Committee Substitute to **HB 86.**

On the roll call the vote was yeas 63-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clarke, Craddock, Curd, Cyrus, Davenport, DeFalaise, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Kenton, Kidd, LeMaster, List, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Plummer, Rapier, Rattliff, Richards, B. Richardson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington. Nays 17-Allen, Boswell, Burnette, Clapp, Clark, Crupper, Dawahare, DeMarcus, Deskins, Ellington, Fryman, Lewis, Little, Patrick, Riner, Robinson, Wright.

Floor Amendment No. 7 to the Committee Substitute to **HB 86** was adopted.

Representative Bendl moved that **HB 86,** by way of Committee Substitute as amended, be passed.

Representative Deskins moved the adoption of the Floor Amendment No. 8 to the Committee Substitute to **HB 86.**

On the roll call the vote was yeas 29-Allen, Bruce, Burnette, Clapp, Clark, Dawahare, DeMarcus, Deskins, Ellington, Fryman, Guenthner, Haering, Layman, Lewis, Little, McBee, Morris, Overstreet, Patrick, Pearman, Plummer, Rattliff, P. Richardson, Riner, Smith, Van Horn, Weinberg, Worthington, Wright. Nays 50-Adams, Barrows, Bendl, Bennett, Blythe, Brinkley, Bronger, Burch, Caldwell, Cawood, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Donnermeyer, Foster, Freibert, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Kenton, Kidd, LeMaster, List, Lundergan, Mann, May, McKinney, McNutt, Moberly, O'Brien, Rapier, Richards, B. Richardson, Sale, Schmidt, Stumbo, Thomas, Thomason, Tobin, White, Wilborn, Williams.

Floor Amendment No. 8 to the Committee Substitute to **HB 86** was rejected.

Representative Riner moved the adoption of the Floor Amendment No. 9 to the Committee Substitute to **HB 86.**

On the roll call the vote was yeas 47-Adams, Allen, Arnold, Blandford, Boswell, Bronger, Brown, Bruce, Burnette, Clapp, Clark, Crupper, Davenport, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Farrow, Freibert, Fryman, Guenthner, Haering, Holloway, Johnson, Jones, Kenton, Layman, Lewis, List, Little, May, Maynard, Moberly, Morris, O'Brien, Overstreet, Patrick, Pearman, Plummer, Rattliff, B. Richardson, Riner, Romines, Smith, Van Horn, Wright. Nays 39-Barrows, Bendl, Bennett, Blythe, Burch, Caldwell, Cawood, Clarke, Craddock, Curd, Cyrus, DeFalaise, Donnermeyer, Foster, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Kidd, LeMaster, Lundergan, Mann, McNutt, Nett, Noe, Rapier, Sale, Schmidt, Stumbo, Thomas, Thomason, Tobin, Weinberg, White, Wilborn, Williams.

Floor Amendment No. 9 to the Committee Substitute to **HB 86** was adopted.

Representative Deskins moved the adoption of the Floor Amendment No. 6 to the Committee Substitute to **HB 86.**

Representative Gray moved the adoption of the Previous Question on **HB 86.**

On the roll call the vote was yeas 12-Blythe, Cawood, Clapp, Crupper, Curd, Cyrus, Davenport, Gray, Pearman, Tobin, Wilborn. Nays 50-Allen, Bendl, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clark, Craddock, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Freibert, Fryman, Guenthner, Haering, Heleringer, Holbrook, Isler, Johnson, Kidd, Layman, LeMaster, Lewis, List, Little, McNutt, Moberly, Noe, Overstreet, Patrick, Plummer, Rapier, Rattliff, Riner, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Worthington, Wright.

The motion that the Previous Question be adopted on **HB 86** was rejected.

On the roll call the vote was yeas 44-Allen, Arnold, Blandford, Boswell, Bronger, Brown, Bruce, Burnette, Clapp, Clark, Crupper, Cyrus, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Farrow, Fryman, Guenthner, Holloway, Johnson, Jones, Layman, Lewis, Little, May, Maynard, McBee, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Riner, Smith, Stone, Turner, Van Horn, Weinberg, Worthington, Wright, Yates. Nays 48-Adams, Barrows, Bendl, Bennett, Blythe, Brinkley, Burch, Caldwell, Cawood, Clarke, Craddock, Curd, Davenport, DeFalaise, Donnermeyer, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Kenton, Kidd, LeMaster, List, Lundergan, Mann, McKinney, McNutt, Morris, Nett, Rapier, Richards, B. Richardson, Robinson, Sale, Schmidt, Stumbo, Thomas, Thomason, Tobin, White, Wilborn, Williams.

Floor Amendment No. 6 to Committee Substitute to **HB 86** was rejected.

Representative Thomason moved the adoption of Floor Amendment No. 10 to the Committee Substitute to **HB 86.**

On the roll call the vote was yeas 56-Allen, Arnold, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Clapp, Clark, Crupper, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Heleringer, Holloway, Johnson, Layman, Lewis, Little, May, McBee, Moberly, Morris, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, B. Richardson, Riner, Romines, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Worthington, Wright, Yates. Nays 36-Adams, Barrows, Bendl, Bennett, Blythe, Burch, Caldwell, Cawood, Clarke, Craddock, Curd, DeFalaise, Donnermeyer, Gray, Hancock, Head, Hines, Holbrook, Isler, Kenton, Kidd, LeMaster, List, Lundergan, Mann, McNutt, Nett, Noe, Richards, Sale, Schmidt, Thomas, Tobin, White, Wilborn, Williams.

Floor Amendment No. 10 to Committee Substitute to **HB 86** was adopted.

Representative Bendl moved that **HB 86,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 78-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, McBee, McNutt, Moberly, Morris, Nett, Noe, Overstreet, Pearman, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 17-Allen, Blair, Bruce, Burnette, Clapp, Clark, DeMarcus, Ellington, Fryman, Layman, Lewis, McKinney, O'Brien, Patrick, Plummer, Riner, Wright.

HB 86, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 86,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SJR 8, SR 2, SB 62, HB 102,** and **HB 104** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day (continued)

HB 226, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved the adoption of the Floor Amendment No. 2 to **HB 226.** Agreed.

Representative Burnette moved that **HB 226,** as amended, be passed.

On the roll call the vote was yeas 64-Adams, Allen, Arnold, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clap, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Ellington, Foster, Freibert, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, Little, Lundergan, Maynard, McBee, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Thomason, Turner, Van Horn, White, Wright. Nays 21-Barrows, Bendl, Bennett, Blythe, Cawood, Clark, Clarke, Dunn, Farrow, Gray, List, Mann, McNutt, Moberly, Noe, Smith, Stumbo, Tobin, Weinberg, Wilborn, Williams.

HB 226, as amended, was passed and the title agreed to.

Representative Burnette moved that the vote by which **HB 226,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 58, SCR 18, HB 210, HB 211,** and **HB 382.**

Orders of the Day (continued)

HB 517, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved the adoption of the Committee Substitute to **HB 517.** Agreed.

Representative Worthington moved that **HB 517,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 92-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 517, by way of Committee Substitute, was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 517,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 315 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Heleringer moved that **HB 315** be passed.

On the roll call the vote was yeas 80-Adams, Allen, Arnold, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Dawahare, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, May, Maynard, McBee, McNutt, Morris, Nett, O'Brien, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 9-Barrows, Bendl, Blair, Cawood, Gray, Hines, Moberly, Noe, Wilborn.

HB 315 was passed and the title agreed to.

Representative Heleringer moved that the vote by which **HB 315** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 364 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **HB 364** be passed.

On the roll call the vote was yeas 67-Adams, Allen, Arnold, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Crupper, Curd, Dawahare, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Kenton, Layman, Lundergan, Mann, May, Maynard, McBee, McNutt, Nett, O'Brien, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Thomas, Tobin, Turner, Van Horn, White, Worthington, Wright, Yates. Nays 24-Barrows, Bendl, Blair, Blythe, Cawood, Clarke, Cyrus, Davenport, Deskins, Gray, Hines, Jones, Kidd, LeMaster, Little, Moberly, Morris, Noe, Overstreet, Stumbo, Thomason, Weinberg, Wilborn, Williams.

HB 364 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 364** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 389 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 95-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 389 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 389** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 505 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 505** be passed.

On the roll call the vote was yeas 80-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, May, Maynard, McBee, McKinney, Moberly, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 8-Allen, Barrows, Blythe, Burnette, Haering, Hancock, Head, Layman.

HB 505 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 505** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 29 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Patrick moved the adoption of **HR 29.**

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays-0.

HR 29 was adopted and the title agreed to.

Representative B. Richardson moved that the vote by which **HR 29** was adopted be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 57, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Robinson moved the adoption of the Floor Amendment No. 1 to **HCR 57.** Agreed.

Representative Worthington moved that **HCR 57,** as amended, be adopted.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HCR 57, as amended, was adopted and the title agreed to.

Representative Worthington moved that the vote by which **HCR 57,** as amended, was adopted be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Pro Tempore Hancock presiding.

HB 20, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Committee Substitute to **HB 20.** Agreed.

Representative DeFalaise moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 20.**

On the roll call the vote was yeas 65-Adams, Allen, Arnold, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Holloway, Isler, Jones, Layman, Little, Lundergan, May, McBee, McKinney, Morris, O'Brien, Overstreet, Patrick, Plummer, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Turner, Van Horn, Weinberg, White, Williams, Worthington, Yates. Nays 25-Barrows, Bendl, Blythe, Cawood, Clark, Hancock, Hines, Holbrook, Johnson, Kidd, LeMaster, List, Mann, Maynard, McNutt, Moberly, Nett, Noe, Pearman, P. Richardson, Thomas, Thomason, Tobin, Wilborn, Wright.

Floor Amendment No. 1 to the Committee Substitute to **HB 20** was adopted.

Representative DeFalaise moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 20.**

Representative Holbrook moved that **HB 20** be returned to the Committee on Committees.

Representative Nett moved that the motion that **HB 20** be returned to the Committee on Committees be laid on the table.

Representative Tobin moved that the House adjourn until Tuesday, March 4, 1980, at 2 p.m.

On the roll call the vote was yeas 38-Arnold, Barrows, Blair, Blandford, Blythe, Boswell, Bruce, Burnette, Clark, Clarke, Craddock, Crupper, Dawahare, Foster, Head, Hines, Holbrook, Johnson, Kidd, LeMaster, Lewis, Mann, McNutt, Moberly, Morris, Nett, Noe, Patrick, B. Richardson, P. Richardson, Stumbo, Thomason, Tobin, Weinberg, White, Wilborn, Wright. Nays 55-Adams, Allen, Bendl, Bennett, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Curd, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Holloway, Isler, Jones, Kenton, Layman, List, Little, Lundergan, May, McBee, McKinney, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Richards, Riner, Robinson, Romines, Schmidt, Smith, Stone, Thomas, Turner, Van Horn, Williams, Worthington, Yates.

The motion to adjourn was rejected.

On the roll call the vote was yeas 18-Barrows, Blythe, Cawood, Clark, Clarke, Dawahare, Holbrook, Johnson, Kidd, LeMaster, Lewis, Mann, Maynard, Moberly, Nett, Noe, Thomas, Wilborn. Nays 70-Adams, Allen, Arnold, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Crupper, Curd, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Holloway, Isler, Kenton, Layman, List, Little, Lundergan, May, McBee, McKinney, McNutt, Morris, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Worthington, Yates.

The motion that the motion that **HB 20** be returned to the Committee on Committees be laid on the table was rejected.

On the roll call the vote was yeas 23-Barrows, Bendl, Blair, Blythe, Cawood, Clark, Clarke, Craddock, Hines, Holbrook, Johnson, Kidd, Lewis, Mann, Maynard, McNutt, Moberly, Nett, Noe, Thomas, Tobin, Wilborn, Wright. Nays 69-Adams, Allen, Arnold, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Holloway, Isler, Kenton, Layman, LeMaster, List, Little, Lundergan, May, McBee, McKinney, Morris, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, White, Worthington, Yates.

The motion that **HB 20** be returned to the Committee on Committees was rejected.

The Speaker resumed the Chair.

Representative Overstreet requested the Chair to rule whether Floor Amendment No. 2 to the Committee Substitute to **HB 20** was germane.

The Chair ruled the subject matter of Floor Amendment No. 2 to the Committee Substitute to **HB 20** was germane.

Representative DeFalaise moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 20.**

On the roll call the vote was yeas 72-Adams, Allen, Arnold, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Holloway, Isler, Jones, Kenton, Layman, LeMaster, List, Little, Lundergan, May, McBee, McKinney, Moberly, Morris, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 14-Bendl, Cawood, Clark, Hancock, Hines, Holbrook, Johnson, Kidd, Maynard, McNutt, Nett, Tobin, Wilborn, Wright.

Floor Amendment No. 2 to the Committee Substitute to **HB 20** was adopted.

Representative Priddy moved that **HB 20,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 69-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holloway, Isler, Jones, Kenton, Layman, LeMaster, Little, Lundergan, May, McBee, McKinney, Morris, O'Brien, Overstreet, Patrick, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Turner, Van Horn, White, Worthington, Yates. Nays 25-Barrows, Bendl, Cawood, Clark, Clarke, Craddock, Crupper, Hines, Holbrook, Johnson, Kidd, Lewis, List, Mann, Maynard, McNutt, Moberly, Nett, Noe, Pearman, Thomas, Thomason, Tobin, Wilborn, Wright.

HB 20, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 20,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Speaker Pro Tempore presiding.

Motions, Petitions and Communications

Representative Isler moved that his name be withdrawn as a co-sponsor of **HB 519.** Agreed.

Representative B. Richardson moved that when the House adjourns, it do so until 2 p.m. Tuesday, March 4, 1980. Agreed.

Representative B. Richardson moved that when the House adjourns, it do so by voice vote. Agreed.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 760, by Representative Little: AN ACT relating to designation of state and county roads and appropriation thereof.

HB 761, by Representatives Little and Van Horn: AN ACT relating to insurance.

HB 762, by Representative P. Richardson: AN ACT relating to securities.

HB 763, by Representative P. Richardson : AN ACT relating to securities.

HB 764, by Representative Kidd: AN ACT relating to insurance.

HB 765, by Representative Kidd: AN ACT relating to banking.

HB 766, by Representative Richards: AN ACT relating to teachers' retirement.

HB 767, by Representatives Romines, Priddy, Bennett, Blair, Bronger, Cyrus, Dunn, Gray, Guenthner, Isler, Maynard, Nett, and Yates: AN ACT relating to emergency vehicles.

HB 768, by Representatives Turner and Craddock: AN ACT relating to sanitary engineering.

HB 769, by Representative DeFalaise: AN ACT relating to state grand jury.

HB 770, by Representative White: AN ACT relating to retirement benefits.

HB 771, by Representative White: AN ACT relating to retirement service credit.

HB 772, by Representative Isler: AN ACT relating to individual income taxes.

HB 773, by Representative Clapp: AN ACT relating to motor vehicle fuel taxation.

HB 774, by Representative Dawahare: AN ACT relating to coal severance tax.

HB 775, by Representative B. Richardson: AN ACT proposing an amendment to Section 253 of the Kentucky Constitution relating to the employment of prisoners.

HB 776, by Representatives Ellington, Allen, Clapp, Riner, Burnette, DeFalaise, and Thomason: AN ACT relating to nonliability for emergency care.

HB 777, by Representative Richards: AN ACT relating to the State Medicaid Program.

HB 778, by Representative Bendl: AN ACT relating to medical examination.

HB 779, by Representative Bendl: AN ACT relating to the protection of adults.

HB 780, by Representative Bendl: AN ACT relating to public transportation.

HB 781, by Representative Bendl: AN ACT relating to public transportation, and making an appropriation therefor.

HB 782, by Representative Bendl: AN ACT relating to consumer product safety.

HB 783, by Representatives Holbrook and Cyrus: AN ACT relating to court fees and costs.

HB 784, by Representative Weinberg: AN ACT relating to the office for public advocacy.

HB 785, by Representatives Dunn, Bennett, Bendl, Bronger, Burch, Clark, Hines, Kidd, Maynard, Nett, O'Brien, Priddy, Riner, Romines, and Yates: AN ACT relating to fiscal courts.

HB 786, by Representative B. Richardson: AN ACT relating to boiler and pressure vessel safety.

HB 787, by Representative Priddy: AN ACT relating to probation and parole.

HB 788, by Representative Moberly: AN ACT relating to insurance.

HCR 88, by Representatives B. Richardson and Gray: A CONCURRENT RESOLUTION relating to hospitalization insurance for state employes.

HJR 89, by Representatives McNutt, Tobin, Pearman, and Schmidt: A JOINT RESOLUTION authorizing an audit of the capital construction fund.

Posting of Bills and Resolutions (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Appropriations and Revenue: **HB 633, HB 648, HB 650.**

Natural Resources and Environment: **HB 566, HB 597.**

Labor and Industry: **HB 612, HB 636, HB 637, HB 638, HB 639, HB 640, HB 644, HB 645, HB 646, HB 647.**

Banking and Insurance: **HB 669, HB 707.**

Education: **HB 677, HB 257.**

State Government: **SB 75, HB 724.**

The Clerk announced **SB 156** has been withdrawn from consideration by the Committee on Energy.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative White, **HB 20;** Representative Freibert, **HB 552;** Representative Farrow, **HB 395.**

The following meetings were announced:

Special meeting on Surface Mining: Tuesday, 8 a.m., Room 307.

Labor and Industry: Special, 30 minutes after adjournment on Tuesday, Room 307.

Appropriations and Revenue: Tuesday, 8 a.m., Room A.

Hazardous Waste: Tuesday, 12 noon, Room 307.

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to the Committee Substitute to **HB 81,** by Representative List, is as follows:

Amend printed copy of Committee Substitute for **HB 81,** page 2, after the comma on line 5, by deleting the words "two-thirds (⅔)" and inserting in lieu thereof the words "a majority"

Floor Amendment No. 1 to the Committee Substitute to **HB 144,** by Representative B. Richardson, is as follows:

Amend printed copy of Committee Substitute for **HB 144,** page 14, line 14, by deleting "office the secretary" and inserting in lieu thereof the words "Department for Local Government."; and

On page 14, line 16, by deleting "cabinet for development" and inserting in lieu thereof the words "Department for Local Government."

Floor Amendment No. 2 to **HB 265,** by Representative Isler is as follows:

Amend printed copy of **HB 265,** page 4, line 10, *A member of the General Assembly shall be governed by the provisions of this subsection, and shall not choose from the other retirement options listed in subsections (1) through (8) of this section.*

Floor Amendment No. 3 to **HB 265,** by Representative Kidd, is as follows:

Amend printed copy of **HB 265,** page 4, line 7, by deleting the period after the word "lifetime"; and

On page 4, line 7, following the word "lifetime" add the words "*if the member of the general assembly has elected this option and has made contributions in accordance with subsection (10) of this section and of Section 2 of this Act.*" and

On page 4, the following subsections are added after subsection (9):

"*(10) A member of the general assembly who wishes to obtain the survivorship option specified in subsection (9) of this section shall so notify the Kentucky retirement systems:*

(a) within thirty (30) days after first becoming a member of the general assembly if he is not a member of the general assembly on the effective date of this Act; or,

(b) within thirty (30) days after the effective date of this Act in the case of persons who are members of the general assembly on the effective date of this Act.

(11) The board of directors of the Kentucky retirement systems shall prepare and forward two members of the general assembly a form on which a member may elect the option provided for in subsections (9) and (10) of this Act." and

On page 4, line 13, by deleting "1980"; and

On page 4, line 14, by deleting the brackets around "1966"; and

On page 4, line 17, by inserting after the word "assembly" and before the word "shall" the following" "*, who elect the survivorship option provided in subsections (9) and (10) of Section 1 of this Act,*"; and

On page 4, line 17, by inserting after the word "shall" and before the word "contribute" the word "each"; and

On page 4, line 18, by deleting the period after the word "compensation" and adding the words "*commencing with the payroll period immediately following his election of the option.*"

Floor Amendment No. 1 to **HB 415,** by Representative Kenton, is as follows:

Amend printed copy of **HB 415,** page 1, line 5, after the word damages, by deleting [.] and inserting *if not ordered as a condition of probation.*

On line 9, by deleting the word [convict] and inserting *defendant*

On line 11, by deleting the word [motions] and inserting *a petition*

On line 12, after the word the, by deleting [prisoner] and inserting *defendant, if in custody,*

On line 13, after the word the, by deleting [motion.] and inserting *petition.*

Floor Amendment No. 1 to **HB 418,** by Representative Richards, is as follows:

Amend printed copy of **HB 418,** page 1, line 5, by deleting "*C & D*" and removing the brackets from "C"; and

On page 1, line 10, after the "," by inserting "*and in the instance of a conviction for violation of KRS 515.020*"; and

On page 1, lines 12 and 13, by deleting "*for the class of felony for which he stands convicted*"

Floor Amendment No. 5 to Committee Substitute to **HB 20,** by Representative White, is as follows:

Amend printed copy of Committee Substitute for **HB 20,** page 7, line 25, after the word "city" by deleting the period and before the words "Section 7" by inserting the following words and renumber subsequent sections accordingly:

"; provided, however, if the annexation plan is remonstrated against pursuant to Section 7 of this Act, the effective date of the annexation shall not be until thirty (30) days after the certification of the vote in favor of annexation pursuant to subsection (3) of Section 7 of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) If following the publication of an annexation ordinance under authority of Section 6 of this Act and within sixty (60) days thereof, fifty percent (50%) of the resident voters or owners of real property within limits of the territory proposed to be annexed petition the mayor in opposition to the proposal, an election shall be held at the next regular election occuring at least sixty (60) days after the petition is presented to the county clerk.

(2) The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, or if such territory is located in more than one (1) county, to the county clerks of such counties, who shall have printed on the ballot provided for use in each precinct embraced in whole or in part within the territory proposed to be annexed the question: "Are you in favor of being annexed to the City of ________________?" If only a part of any precinct is embraced within the territory proposed to be annexed only persons who reside within the territory proposed to be annexed shall be permitted to vote. The clerk shall cause the sheriff or sheriffs to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex.

(3) If twenty-five percent (25%) or more of the registered voters in the area to be annexed vote in favor of annexation, such territory shall become a part of the city as provided in subsection (3) of Section 6 of this Act.

(4) If less than twenty-five percent (25%) of the registered voters in the area are to be annexed vote in favor of annexation, the ordinance proposing annexation shall become ineffective for any purpose."

Floor Amendment No. 1 to **HB 491,** by Representative Morris, is as follows:

Amend printed copy of **HB 491,** by deleting subsection (2) of Section 1 as set forth in page 1, lines 14 through 21, and page 2, lines 1 through 3, in its entirety and inserting in lieu thereof the following: "(2) All insurors issuing individual health insurance policies in this Commonwealth providing coverage on an expense incurred basis shall make available and offer to the purchaser coverage for services which are within the lawful scope of practice of a chiropractor duly licensed under KRS Chapter 312.

By deleting subsection (2) of Section 2 as set forth on page 2, lines 17 through 26, and page 3, line 1, in its entirety and inserting in lieu thereof the following: "(2) All insurors issuing group or blanket health insurance policies and certificates issued thereunder in this Commonwealth providing coverage on an expense incurred basis shall make available and offer to the master policyholder coverage for services which are within the lawful scope of a chiropractor duly licensed under KRS Chapter 312.

By deleting subsection (2) of Section 3 as set forth on page 3, lines 17 through 27, and page 4, lines 1 through 3, in its entirety and inserting in lieu thereof the following: "(2) Any corporation subject to the provisions of this subtitle which issues contracts, plans, or policies in this state pursuant to the terms and conditions of this subtitle shall make available and offer to the respective subscriber coverage for services which are within the lawful scope of practice of a chiropractor duly licensed under KRS Chapter 312.

Floor Amendment No. 2 to **HB 491,** by Representative Gray, is as follows:

Amend printed copy of **HB 491,** page 1, line 19, after the comma, by inserting the words "*unless the insured specifically waives such coverage in writing on a form provided by the insurer,*"

Page 2, line 3, after the period, by inserting the words "*In the event the insured waives such coverage, the insurer shall inform the insured of the reduction in premium resulting from such waiver.*"

Page 2, line 23, after the comma, by inserting the words "*unless the insured specifically waives such coverage in writing on a form provided by the insurer,*"

Page 3, line 1, after the period, by inserting the words "*In the event the insured waives such coverage, the insurer shall inform the insured of the reduction in premium resulting from such waiver.*"

Page 3, line 24, after the comma, by inserting the words "*unless the insured specifically waives such coverage in writing on a form provided by the insurer,*"

Page 4, line 3, after the period, by inserting the words "*In the event the insured waives such coverage, the insurer shall inform the insured of the reduction in premium resulting from such waiver.*"

Floor Amendment No. 2 to **HB 182,** by Representative Riner, is as follows:

Amend printed copy of **HB 182,** by removing brackets on page 1, line 3, and on line 21 following the word "limitations";

By deleting lines 11 through 16 on page 2, and by deleting lines 7 through 9 on page 3, and by adding the following language on line 11, page 2: "No person permitted, under the provisions of this section, to engage in a retail business on Sunday shall be open to the public between the hours of 6 a.m. and 2 p.m. on any Sunday."

Floor Amendment No. 3 to **HB 182,** by Representative Riner, is as follows:

Amend printed copy of **HB 182,** by removing brackets on page 1, line 3, and on line 21 following the word "limitations";

By deleting lines 11 through 16 on page 2, and by deleting lines 7 through 9 on page 3, and by adding the following language on line 11, page 2: "No person permitted, under the provisions of this section, to engage in a retail business on Sunday shall be open to the public between the hours of 6 a.m. and *2 p.m.* [noon], on any Sunday."

And by renumbering sections appropriately.

Floor Amendment No. 2 to **HB 415,** by Representative Williams, is as follows:

Amend printed copy of **HB 415,** page 3, by requiring that whenever a death sentence is returned that the defendant shall be executed by intravenous injection of a substance or substances in a lethal quantity sufficient to cause death.

The substance(s) to be used and the procedure for their administration shall be determined and supervised by the commissioner of the bureau of corrections.

Adjournment

Representative B. Richardson moved that the House adjourn until 2 p.m., Tuesday, March 4, 1980.

The motion to adjourn was adopted by voice vote.

TUESDAY, MARCH 4, 1980

THIRTY-SIXTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Leonard Howard, Chaplain, Green River Boys' Camp, Morgantown, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Petty.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 3, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 789, by Representative Van Horn: AN ACT relating to alcoholic beverage control.

HB 790, by Representative Burnette: AN ACT relating to fiduciaries.

HB 791, by Representative B. Richardson: AN ACT relating to conditional release.

HB 792, by Representatives Burnette, Wright, Van Horn, and Curd: AN ACT relating to public assistance.

HB 793, by Representative B. Richardson and Van Horn: AN ACT relating to firefighters and making an appropriation therefor.

HB 794, by Representative Hancock: AN ACT relating to study commissions.

HB 795, by Representative Hancock: AN ACT relating to sales and use taxes.

HB 796, by Representative Hancock: AN ACT relating to state personnel.

HB 797, by Representatives Weinberg, Little, and Worthington: AN ACT relating to state and federal highways.

HB 798, by Representative Lewis: AN ACT relating to legal notices.

HB 799, by Representatives Lewis and Robinson: AN ACT relating to traffic regulations.

HB 800, by Representative Bennett: AN ACT relating to campaign finance regulations.

HB 801, by Representative Thomas: AN ACT relating to alcoholic beverages.

HB 802, by Representative Van Horn: AN ACT relating to credit unions.

HB 803, by Representative Van Horn: AN ACT relating to barbers.

HB 804, by Representatives Arnold, Worthington, and Lundergan: AN ACT relating to jails.

HB 805, by Representatives Robinson and Hancock: AN ACT relating to Kentucky retirement systems.

HB 806, by Representative Schmidt: AN ACT relating to recyclers.

HB 807, by Representatives List, Holloway, and Blythe: AN ACT relating to landlord and tenant.

HB 808, by Representative Wilborn: AN ACT relating to education.

HB 809, by Representative DeMarcus: AN ACT relating to litter control.

HB 810, by Representative Clarke: AN ACT relating to motor fuel excise tax.

HB 811, by Representative Blythe: AN ACT relating to procurement.

HB 812, by Representative Blythe: AN ACT relating to mechanic's liens.

HR 90, by Representatives Wright, LeMaster, McBee, and Burnette: A RESOLUTION honoring Kyle Macy, Jay Shidler and LaVon Williams.

HR 91, by Representative Arnold: A RESOLUTION urging Congress to approve a five-year reenactment of the General Revenue Sharing Program.

Report on Enrolled Bills

HB 102 and **HB 104** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 729, HB 736.**

Appropriations and Revenue: **HB 728, HB 748, HB 756, HB 758, HB 760, HB 772, HB 773, HB 774, HB 780, HB 781, HR 89.**

Banking and Insurance: **HB 733, HB 761, HB 762, HB 763, HB 764, HB 788.**

Business Organizations and Professions: **HB 731, HB 737, HB 738, HB 759.**

Cities: **HB 741, HB 744, HB 750.**

Counties and Special Districts: **HB 730, HB 747, HB 785, HR 84, HB 734.**

Education: **HB 766, HR 86.**

Elections and Constitutional Amendments: **HB 742, HB 775.**

Energy: **HB 745.**

Health and Welfare: **HB 755, HB 777, HB 787, SB 58.**

Judiciary: **HB 749, HB 776, HB 778, HB 779, HB 783, HB 784.**

Labor and Industry: **HB 743, HB 746, HB 751, HB 782, HB 786.**

Natural Resources and Environment: **HB 752, HB 753, HB 754, HB 768, HR 87, SR 18.**

State Government: **HB 732, HB 739, HB 740, HB 765, HB 769, HB 770, HB 771, HR 83, HR 88.**

Transportation: **HB 735, HB 757, HB 767.**

Report of Committees

The Committee on Rules reported **HB 105, HB 119, HB 144, HB 299, HB 438, HB 439, HB 498, HB 516, HB 538, SB 7,** and **SB 109** have been posted for passage in Orders of the Day, March 5, 1980.

The Committee on Rules reported **HB 46** has been recommitted to the Committee on State Government, and **HB 301** has been recommitted to the Committee on Appropriations and Revenue.

Senate Message

Announcing passage of **SCR 43.**

Report of Committees (continued)

The Committee on Appropriations and Revenue reported **HB 91,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Amendment No. 2 to **HB 91** is as follows:

Amend printed copy of **HB 91,** page 3, lines 1, 17, and 18, by deleting on line 1 the words "sixty-five (65)" and substituting in lieu thereof the following: "sixty (60)";

and by deleting on line 17 after the word "of" the words "one hundred sixty-five thousand dollars ($165,000)" and substituting in lieu thereof the following: "twenty-five thousand dollars ($25,000)";

and by deleting after the word "year" on line 18 the rest of line 18, 19 and 20.

The Committee on Appropriations and Revenue reported **HB 576,** and **HB 539** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 576, AN ACT relating to state investment income.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 41.380 is amended to read as follows:

(1) There shall be a state investment commission composed of the governor, the state treasurer, and the secretary of the executive department for finance and administration. The commission shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States government, or of the Commonwealth of Kentucky. All such investments shall be obligations that will mature within five (5) years from the date of investment.

(2) The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in United States treasury bills or certificates of indebtedness or any other United States government security which will mature within one (1) year from the date of investment.

(3) Interest earned from investments made pursuant to this section shall accrue to the credit of the general expenditure fund, except that interest from investments of excess cash in the road fund shall be credited to the road fund *and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund,* and interest earned from the investment of funds accumulated solely by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when such donor shall have designated the use to which such interest shall be placed.

(4) The authority granted by this section to the state investment commission shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government.

HB 539, AN ACT relating to property taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.260 is amended to read as follows:

(1) Every warehouse company and every person engaged in the business of furnishing storage for personal property shall by [February 1, 1961, and] February 1 of each year [thereafter], make a report to the property valuation administrator, giving, as far as possible, accurate and complete information as to all property held by them on [January 1, 1961, and] January 1 of each year [thereafter], and the names and residences of the owners of all property so held on that date.

(2) Every person providing *hangar space, tie-down space or other storage space for aircraft, dock rental slips for parking or storing vessels or* rental space for the parking of *one or more* housetrailers shall by [February 1, 1961, and by] February 1 of each year [thereafter], report *names and addresses of all owners of aircraft, vessels, and housetrailers* [the name of the owner and type and size of all housetrailers not registered in this state under KRS 186.655] on his premises on [January 1, 1961, and] January 1 of each year [thereafter] to the property valuation administrator of the county in which the property is located.

(3) The reports required by subsections (1) and (2) shall be made in accordance with the forms prescribed by the department of revenue and shall be signed and verified by the chief officer or person in charge of the business.

(4) The property valuation administrator *and other authorized department personnel* may make a personal inspection and investigation of property held in storage and premises on which *aircraft, vessels and* housetrailers are located, for the purpose of identifying and assessing such property. No person in charge of such premises shall refuse to permit the inspection and investigation.

(5) Every *person providing storage premises for aircraft, vessels, and housetrailers* [operator of a trailer park or every owner of property used for such purposes when there is no operator,] shall keep a register of all *aircraft, vessels and* housetrailers which make use of the *storage premises* [trailer park]. Such register shall *be prescribed by the department of revenue.* [set forth:

(a) The name of the owner or occupier and all inhabitants of each housetrailer;
(b) The permanent and temporary post office addresses of all inhabitants;
(c) The license numbers of all units;
(d) The state issuing such license;
(e) The date of arrival and departure of each housetrailer;
(f) The place of employment of all occupants.]

(6) The *registers* [register] provided for in subsection (5) of this section shall be open to inspection to the county clerk and the property valuation administrator and all law enforcement agencies at all times.

(7) Every *person providing storage for aircraft, vessels and housetrailers* [operator of a trailer park or every owner of property used for such purposes when there is no operator,] shall during December, January and February each year furnish weekly to the property valuation administrator a copy of the *registers* [register].

(8) Those persons not regularly engaged in the business of providing storage space for aircraft, vessels and housetrailers and who do so as an incidental part of their main business activity shall be exempt from the provisions of this Act.

The Committee Amendment No. 1 to **HB 539** is as follows:

Amend printed copy of **HB 539,** page 1, line 18, by deleting the word "and" and substituting in lieu thereof the word "or";

Page 2, line 16, by deleting the word "and" and substituting in lieu thereof the word "or";

Page 3, line 11, by deleting the word "and" and substituting in lieu thereof the word "or";

Line 18, by deleting the word "and" before and after the word "housetrailers" and substituting in lieu thereof the word "or" in both instances.

The Committee on Cities reported **HB 543, HB 593,** and **HB 598** with expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 543, AN ACT relating to fire departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95.710 is amended to read as follows:

To be eligible for appointment as a member of the police force or fire department of a city of the fourth or fifth class, except cities of the fourth class which have adopted KRS 95.761 to 95.784, a person must be a resident of the county, at least twenty-one (21) years of age, *except in fire departments in cities of the fourth class, where the minimum age requirement shall be eighteen (18) years of age,* able to read and write the English language intelligibly, and sober, moral and sagacious. No person who has been convicted of a felony is eligible for appointment. After appointment no member shall interfere in any election.

HB 593, AN ACT relating to civil service in cities of the first class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 90.150 is amended to read as follows:

(1) The classified service covered by KRS 90.110 to 90.230, and hereby placed under the jurisdiction of the board, includes all offices, positions, and places of employment, except as herein provided, in the following departments and agencies in the service of the city, to wit: The department of public safety, the department of public health, the department of public welfare, and the civil service board. If any of such offices, positions or places of employment are transferred to or combined or consolidated with any other department or agency of or serving the city, the offices, positions or places of employment shall continue to be covered by KRS 90.110 to 90.230. The classified service also includes all other offices and positions and places of employment in other departments or agencies of the city or serving the city to which the classified service may be hereafter extended pursuant to the provisions of KRS 90.210, or any other law.

(2) The following offices, positions, and places of employment, in the departments and agencies hereinabove specifically named, are excluded from the classified service, to wit:

(a) The director of safety and the following positions in that department, to wit: the director of safety's staff, including, but not limited to assistants and his private secretary, the chief of police *and his private secretary*, assistant chief of police, chief of detectives, *chaplain for the police department,* chief of fire fighters *and his private secretary*, assistant chief of fire fighters, *chaplain for the fire department*; superintendent and animal catchers, and caretakers, in the division of city pound; supervising inspector of weights and measures, and inspector of weights and measures, and deputy inspector, in the division of weights and measures.

(b) The director of health and the following positions in that department, to wit: Private secretary, kitchen helpers, cleaners, waitresses, housemaids, janitresses, laundresses, hospital resident medical staff, university visiting staff, student nurses, bona fide university students.

(c) The director of welfare and the following positions in that department, to wit: Private secretary, janitors, cleaners, laundresses, night watchman, truck drivers, kitchen helpers, janitresses, park laborers, bona fide university students.

(d) Members of the civil service board and the personnel director.

(3) The offices, positions, and places of employment excluded by paragraphs (a), (b), (c) and (d) of subsection (2) from the classified service may be placed in the classified service, in accordance with the provisions of KRS 90.210, except that the offices or positions of director of safety including his staff, chief of police *and his private secretary*, assistant chief of police, chief of detectives, *chaplain for the police department,* chief of fire fighters *and his private secretary*, assistant chief of fire fighters, *chaplain for the fire department,* director of health, director of welfare, and members of the civil service board shall not be placed in the classified service.

(4) Any classified employe in the department of safety, who accepts an appointment and qualifies as chief of police *or his private secretary*, assistant chief of police, chief of detectives, *chaplain for the police department,* chief of fire fighters *or his private secretary*, [or] assistant chief of fire fighters, *or chaplain for the fire department,* shall be deemed to have received a leave of absence from the classified service for and during the incumbency of any of those respective positions. *If an individual should cease to serve in any of those positions* [Should any chief or assistant chief, or chief of detectives, cease to serve as such], there shall be restored to him the same classification and rank which he held prior to his appointment.

HB 598, AN ACT relating to police officers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.170 is amended to read as follows:

(1) County judges, justices of the peace, sheriffs, coroners, surveyors, jailers, county attorneys and constables may be indicted in the county in which they reside for misfeasance or malfeasance in office, or wilful

neglect in the discharge of official duties, and if convicted they shall be fined not less than one hundred (100) nor more than one thousand dollars ($1,000), and the judgment of conviction shall declare the office held by such person vacant.

(2) Any sheriff, deputy sheriff, *police officer* [policeman] or other peace officer who fails to enforce any provision of KRS 242.010 to 242.990 after receiving information of a violation thereof, or having knowledge of a violation thereof and failing to act thereon, may be indicted for nonfeasance or malfeasance in office, and if convicted shall be fined not less than fifty (50) nor more than two hundred dollars ($200), and the judgment of conviction shall declare the office held by such person vacant.

Section 2. KRS 61.300 is amended to read as follows:

(1) No person shall serve as a deputy sheriff, deputy constable, patrol or other nonelective peace officer or deputy peace officer, unless:

(a) He is a citizen of the United States and is twenty-one (21) years of age or over;

(b) He has resided in the county wherein he is appointed to serve for a period of at least two (2) years;

(c) He has never been convicted of a crime involving moral turpitude;

(d) He has not within a period of two (2) years hired himself out, performed any service, or received any compensation from any private source for acting, as a privately paid detective, *police officer* [policeman], guard, peace officer or otherwise as an active participant in any labor dispute, or conducted the business of a private detective agency or of any agency supplying private detectives, private *police officers* [policemen] or private guards, or advertised or solicited any such business in connection with any labor dispute;

(e) He has filed his photograph with the county clerk of the county in which he is to serve, together with his affidavit stating his full name, age and residence address and that he is not prohibited from serving by this section.

(2) The photograph so filed with the county clerk shall constitute a public record.

(3) Any person who exercises any of the functions of a nonelective peace officer or deputy peace officer in violation of the provisions of this section shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned in the county jail for not more than six (6) months, or both.

Section 3. KRS 61.360 is amended to read as follows:

(1) The governor or his agent may appoint special local peace officers, for such time as he deems necessary, to preserve the peace and protect the property of any person from waste or destruction, provided, however, that no such peace officer(s) shall be actively employed at any factory, mine, workshop, retail establishment, or at any other location where a strike, a slow down, a sit in, or any other type of work stoppage exists, if the employment of such peace officer(s) would result in the unreasonable expansion of the normal complement of such peace officers or the relieving of normal guards or peace officers to perform other duties. Upon the application of an owner of property for such services, and upon payment of a fee of ten dollars ($10) for each officer to be appointed, the governor may immediately appoint the person recommended by the owner, if the person is eligible. No person shall be eligible for appointment under this section unless he has established to the satisfaction of the governor that he possesses the following qualifications:

(1) No person shall serve as a special local peace officer:

(a) Unless he is a citizen of the United States, is twenty-one (21) years of age or over, and unless he is able to read and write;

(b) Unless he has resided in the county wherein he is appointed to serve for a period of at least one (1) year;

(c) Who has ever been convicted of or is under indictment for a crime involving moral turpitude, dishonesty or fraud; unauthorized divulging or selling of information or evidence; impersonation of a law enforcement officer or employe of the United States or any state or political subdivision thereof; illegally using, carrying or possessing a firearm or dangerous weapon; habitual drunkenness; using or selling or possessing narcotics; or who has been adjudged mentally incompetent by a court of competent jurisdiction and such adjudication has not been set aside; or has renounced his citizenship, or being an alien, is illegally or unlawfully in the United States;

(d) Who within a period of two (2) years has hired himself out, performed any service, or received any compensation from any private source for acting, as a privately paid detective, *police officer* [policeman], guard, peace officer or otherwise as an active participant in any labor dispute, or conducted the business of a private detective agency or of any agency supplying private detectives, private *police officers* [policemen] or private guards, or advertised or solicited any such business in connection with any labor dispute;

(e) Unless he has filed his photograph with the county clerk of the county in which he is to serve, together with his affidavit stating his full name, age and residence address and that he is not prohibited from serving by this section.

(2) The photograph so filed with the county clerk shall constitute a public record. The governor may remove any officer so appointed at will or at the request of the owner of the property.

(3) The duties of the officer shall be confined to the premises of the property to be protected, except while in pursuit of a person fleeing from the property after committing an act of violence or destruction of the property. In that case, the officer may pursue the person and make arrest anywhere within this state. He may wear such badges and insignia as will plainly indicate to the public that he is a special local peace officer, but he shall not, in any event, wear any uniform, or any part thereof, of any public police officer; nor shall he in any way impersonate a public police officer or represent himself to any person or persons as being a public police officer; nor shall he perform any of the duties of a public police officer, except those specifically herein granted and at the places herein specifically designated.

(4) Application fees shall be placed in the state treasury and credited to a revolving fund for administrative expenses.

(5) Every special local peace officer appointed pursuant to this section shall execute bond in the amount of five thousand dollars ($5,000).

Section 4. KRS 61.886 is amended to read as follows:

(1) The Tennessee Valley Authority, hereinafter called "TVA," may apply to the governor for the appointment and commissioning of peace officers and TVA *police officers* [policemen]. Such persons shall be selected from a list submitted by TVA to the governor. The governor, upon such application being made and upon the payment to him of a one-time fee of five dollars ($5.00) for each officer to be appointed, shall appoint, for annually renewable terms of one (1) year, such persons or as many thereof as he deems proper to be such peace officers and *police officers* [policemen] and shall give commissions to those appointed. Appointments and annual renewals of appointments under this subsection shall be subject to approval by the sheriff of each county in which the peace officer will normally operate, not including counties into which he may pursue and arrest persons under KRS 61.887.

(2) Such commissions shall be recorded in the office of the county court clerk of the several counties in which such officer performs any duties as a TVA peace officer. No person shall be eligible for appointment and commission as a TVA peace officer unless he has established to the satisfaction of the governor that, except for county residency requirements, he possesses the qualifications prescribed for nonelective peace officers by KRS 61.300 and, in addition, that he has been a resident of Kentucky, or an adjoining state in which TVA operates, for at least two (2) years at the time of his appointment.

Section 5. KRS 61.900 is amended to read as follows:

As used in KRS 61.902 to 61.930.

(1) "Commission" means a commission issued to an individual by the secretary of justice, entitling such individual to perform special law enforcement duties on public property.

(2) "Council" means the Kentucky law enforcement council.

(3) "Department" means the department of justice.

(4) "Public property" means property currently owned or used by any organizational unit or agency of state, county, city, metropolitan government, or a combination of these. The term shall include property currently owned or used by public airport authorities.

(5) "Secretary" means the secretary of the department of justice.

(6) "Special law enforcement officer":

(a) Means one whose duties include the protection of specific public property from intrusion, entry, larceny, vandalism, abuse, intermeddling, or trespass; and

(b) Means one whose duties include the prevention, observation or detection of, or apprehension for, any unlawful activity on specific public property; and

(c) Means one whose special duties include the control of the operation, speed and parking of motor vehicles, bicycles and other vehicles, and the movement of pedestrian traffic on specific public property; and

(d) Means one whose duties include the answering of any intrusion alarm on specific public property; and

(e) Shall include the capitol police, the capital plaza police, public school district security officers, public airport authority security officers, and the officers of the other public security forces established for the purpose of protecting specific public property; and

(f) Shall not include members of a lawfully organized police unit or police force of state, county, city, or metropolitan government, or a combination of these, who are responsible for the detection of crime and the enforcement of the general criminal law enforcement of the state; it shall not include any of the following officials or officers:

(i) Sheriffs, sworn deputy sheriffs, city marshals, constables, sworn deputy constables, and coroners;

(ii) Auxiliary and reserve police appointed under KRS 70.545, 95.160, 95.445, or 95.740;

(iii) State park rangers and conservation officers;

(iv) Officers of the division of motor transportation and division of boating responsible for law enforcement;

(v) Officers of the bureau of corrections responsible for law enforcement;

(vi) Fire marshals and deputy fire marshals;

(vii) Other officers not mentioned above who are employed directly by state government and are responsible for law enforcement;

(viii) Federal peace officers;

(ix) Those campus security officers who are commissioned under KRS 164.950;

(x) Private security guards, private security patrolmen, and investigators licensed pursuant to state statute;

(xi) Railroad *police officers* [policemen] covered by KRS 277.270 and 277.280.

(7) "Sworn public peace officer" means one who derives plenary or special law enforcement powers from, and is a full-time employe of, the federal government, the Commonwealth, of any political subdivision, agency, department, branch or service of either, or of any municipality.

Section 6. KRS 61.906 is amended to read as follows:.

In order to qualify for a commission as a special law enforcement officer under KRS 61.900 to 61.930, an individual must present satisfactory evidence of compliance with the following conditions and requirements:

(1) No person shall be eligible for a commission who:

(a) Has been dishonorably discharged from the armed forces of the United States; or

(b) Has been convicted in any jurisdiction of any felony or of any crime involving moral turpitude for which he has not received a full pardon; or

(c) Has been convicted of any other offense or offenses more than five times within the previous three years; or

(d) Has by any court of competent jurisdiction been declared incompetent by reason of mental defect or disease and has not been restored; or

(e) Suffers from habitual drunkenness or from narcotics addiction or dependence, or from any physical defect or deficiency which the secretary determines to materially impair the applicant's ability to perform the duties of a special law enforcement officer.

(2) Every person to be eligible for a commission shall:

(a) Have reached his twenty-first birthday;

(b) Provide, on forms supplied by the secretary, such information pertaining to himself as may be reasonably be requested thereon, including, but not limited to: his name; age; date of birth; current address and employment; prior addresses and employment for the past ten years; aliases, if any; arrest and conviction record, if any; social security number; fingerprints; photographs; and general physical description. The accuracy of such information shall be attested by the applicant and his attestation shall be notarized by one authorized to administer oaths; and

(c) Be of good moral character; and

(d) Provide references from two reputable residents of the Commonwealth who are not related to him and who have known him well for a period of not less than three years, attesting to his good character; and

(e) Pay the fees provided in KRS 61.908; and

(f) Provide evidence satisfactory to the secretary that he meets the following requirements:

(i) Is a graduate of an accredited high school; or of an equivalent technical or vocational training or education program satisfactory to the secretary; or holds a G.E.D. certificate; provided, however, that all special local peace officers formally commissioned under KRS 61.360 and with unexpired commissions on December 31, 1976, shall be deemed to have met the requirements of this subsection; and

(ii) Has successfully completed not fewer than eighty hours of training in a program approved by the council and dealing comprehensively with the subjects of criminal law and the law of arrest, search and seizure; or has been employed as a full-time sworn public peace officer for a period of not less than one year within the past five years, and has never been discharged for cause from employment as a sworn public peace officer; or has been employed in a full-time capacity as a military *police officer* [policeman] engaged in law enforcement for the United States armed forces for a period of not less than one year within the past five years; or has successfully completed a written, oral and practical examination approved by the council and dealing comprehensively with the subject matter of criminal law and the law of arrest, search and seizure; and

(iii) Demonstrates, in written and practical examinations approved by the council, knowledge of and proficiency in firearms safety, range firing, the moral and legal aspects of firearms use, and first aid. Provided, however, that all special local peace officers formally commissioned under KRS 61.360 and with unexpired commissions on December 31, 1976 shall be deemed to have met the requirements of these subsections.

Section 7. KRS 64.060 is amended to read as follows:

(1) Sheriffs, constables, coroners, marshals and *police officers* [policemen] shall be paid out of the state treasury for the following services the following fees: Apprehending a person on charge of felony, or a fugitive from

justice charged with a felony in this state $3.00

Executing a process of contempt in a criminal case when the court excuses the contempt 1.60

Executing a summons upon a witness in behalf of the commonwealth in a felony case 75

Summoning a jury, on order of a court, in a county other than that in which the action is pending, a reasonable allowance to be fixed by the court. Summoning and attending a jury in a case of felony 2.50

(2) No claim for services incidental to examining courts shall be allowed to any sheriff, deputy sheriff, constable, marshal, *police officer* [policeman] or other officer authorized to execute process in felony cases until the grand jury has returned an indictment for a felony.

Section 8. KRS 83.640 is amended to read as follows:

(1) No officer or employe of any executive department, except the regular police of the city and those authorized by law to do so, shall receive for his own use any fees, perquisites, commissions, percentages or money paid to him in his official capacity. All fees, perquisites, commissions, percentages and money paid to any such person not entitled to keep it for his own use shall be the property of the city, and the officer or employe receiving it shall pay it to the person designated by the legislative body.

(2) Any officer or employe of an executive department, except a *police officer* [policeman], who receives any fee, perquisite or other thing of value belonging to the city shall, before receiving his salary or compensation, make a sworn detailed statement, and shall report to the director of his department in such form as may be prescribed, the aggregate amount of all such receipts since the last preceding statement, and shall deposit with the director of his department all such fees, perquisites, percentages or other things of value due to the city.

Section 9. KRS 95.010 is amended to read as follows:

(1) As used in KRS 95.150 to 95.290 and in KRS 95.786 to 95.885, unless the context requires otherwise:

(a) "Dismissal" means the discharge of an employe by the division or department head, civil service board, or other lawful authority.

(b) "Eligible list" means a list of names of persons who have been found qualified through suitable competitive examinations for positions or classes of positions.

(c) "Fire department" means the officers, fire fighters and clerical or maintenance employes, including the chief of the fire department.

(d) "Member" means any person in the police or fire department, other than the chief or assistant chief of the department.

(e) "Police department" means the officers, *police officers* [policemen] and clerical or maintenance employes, including the chief of police.

(f) "Police force" means the officers and *police officers* [policemen] of the police department, other than the chief of police.

(g) *"Police officer"* ["Policeman"] means a member of the police department below the rank of officer, other than a clerical or maintenance employe.

(h) "Salary" means any compensation received for services.

(i) "Suspension" means the separation of an employe from the service for a temporary or fixed period of time, by his appointing authority, as a disciplinary measure.

(2) As used in KRS 95.430 to 95.690, the following words and terms shall have the following meaning, unless the context requires otherwise:

(a) "Dismissal" means the discharge of an employe by the division or department head, civil service board, or other lawful authority.

(b) "Eligible list" means a list of names of persons who have been found qualified through suitable competitive examinations for positions or classes of positions.

(c) "Fire department" means and includes all officers, fire fighters, and clerical or maintenance employes of the fire department.

(d) "Police department" means and includes all officers, *police officers* [policemen], and clerical or maintenance employes of the police department.

(e) "Member" means any and all officers, fire fighters, *police officers* [policemen], clerical or maintenance employes in the police or fire department, except that as used in subsections (1) and (3) of KRS 95.440, and KRS 95.450, 95.460, 95.470, 95.550, 95.560, 95.565, 95.570 and 95.580 it shall not include the chief of police in a city of the second class operating under the commission form of government or in an urban-county government.

(f) "Police force" means and includes all officers and *police officers* [policemen] in the police department.

(g) *"Police officer"* ["Policeman"] means a member of the police department below the rank of officer, other than a clerical or maintenance employe.

(h) "Fire fighter" means a member of the fire department below the rank of officer, other than a clerical or maintenance employe.

(i) "Salary" means any compensation received for services.

(j) "Suspension" means the separation of an employe from the service for a temporary or fixed period of time, by his appointing authority, as a disciplinary measure.

(k) "Pension fund" shall mean the moneys derived from the members of the police and fire departments' salary or salaries and appropriations by the legislative body, or any other means derived from whatever source by gift or otherwise to be used for the retirement of members of the police and fire departments after the prescribed number of years of service, and for the benefit of disabled members of police and fire departments, and for the benefit of surviving spouses and dependent children or dependent fathers or mothers in the case of death of any member of the police or fire department within the scope of his employment.

(3) As used in KRS 95.761 to 95.785 the following words and terms shall have the following meaning:

(a) "Regular police department." For the purpose of KRS 95.761 to 95.785, a "regular police department" is defined as one (1) having a fixed headquarters, where police equipment is maintained and where a *police officer* [policeman] or *police officers* [policemen] are in constant and uninterrupted attendance to receive and answer police calls, and execute regular police patrol duties.

(b) "Regular fire department." For the purpose of KRS 95.761 to 95.785, a "regular fire department" is defined as one (1) having a fixed headquarters where firefighting apparatus and equipment is maintained, and where fire fighters are in constant and uninterrupted attendance to receive and answer fire alarms.

(c) "Legislative body." Wherever in KRS 95.761 to 95.785 the term "body" or "legislative body" is employed, it shall be construed to mean the legislative branch of the city government or urban-county government.

(d) "Commission." The word "commission" shall mean the board of civil service commissioners, as established under the terms of KRS 95.761 to 95.785.

(e) "Trustees." The word "trustees" shall mean the board of pension fund trustees, as established under the terms of KRS 95.761 to 95.785.

(f) "Pension fund." The term "pension fund" shall mean the moneys derived from the *police officer* [policeman] or *police officers* [policemen] and fire fighter or fire fighters salary or salaries, and appropriations by the legislative body, or any other sums derived from whatever source by gifts or otherwise to be used for the retirement of *police officer* [policeman] or *police officers* [policemen] and fire fighter or fire fighters after the prescribed number of years of service and for the benefit of disabled *police officer* [policeman] or *police officers* [policemen] and fire fighter or fire fighters, and for the benefit of surviving spouses and dependent children or dependent fathers or mothers in the case of death of a *police officer* [policeman] or fire fighter within the scope of his employment, according to the terms of KRS 95.761 to 95.785.

Section 10. KRS 95.160 is amended to read as follows:

(1) The director of safety may, in case of need, appoint special *police officers* [policemen] to do special duty at any place within the city, on terms he deems proper and not in conflict with the civil service provisions.

(2) These special *police officers* [policemen] shall be governed by such rules as the director may provide, and be given such powers as the director allows; if rules are not provided they shall have the powers and duties of regular *police officers* [policemen].

Section 11. KRS 95.200 is amended to read as follows:

Each member of the police force, including special *police officers* [policemen], before entering upon the discharge of his duties, shall take an oath to faithfully discharge the duties of his office. This oath shall be subscribed by the person taking it and filed in the office of the department of public safety.

Section 12. KRS 95.430 is amended to read as follows:

(1) In cities of the second and third classes and urban-county governments the legislative body shall control the police and fire departments and the property and equipment of the departments.

(2) The legislative body may ordain and enforce rules for the government of the departments as it may deem expedient, prescribe the qualifications and duties of the members of each department, and grade the officers of each department.

(3) The legislative body may appoint a chief of police and all *police officers* [policemen], and a chief of the fire department and all subordinates.

(4) The number of fire fighters, *police officers* [policemen], detectives and officers of the police and fire departments shall be such as the legislative body may ordain.

(5) The legislative body shall, by ordinance, fix the salaries of the members of the police and fire departments, provide for their payment, and for the payment of other expenses of the departments.

Section 13. KRS 95.440 is amended to read as follows:

(1) The legislative body in cities of the second and third classes and urban-county governments shall require all applicants for appointments as members of the police or fire departments to be examined as to their qualifications for office, including their knowledge of the English language and the law and rules governing the duties of the position applied for.

(2) Each member of the police or fire department in cities of the second and third classes and urban-county governments shall be a qualified voter in the county containing the city of employment, able to read,

write and understand the English language, and have such other qualifications as may be prescribed. No person shall be appointed a member of the police or fire department unless he is a person of sobriety and integrity and is and has been an orderly, law-abiding citizen. In a city of the second class or urban-county government no person shall be appointed a member of either of such departments if he is over fifty (50) years of age.

(3) Members of the police and fire departments in cities of the second and third classes or urban-county governments qualified under this section shall hold their positions during good behavior, except that the legislative body may decrease the number of *police officers* [policemen] or fire fighters as it may deem proper.

(4) If the legislative body of a city of the second or third class or urban-county government decreases the number of *police officers* [policemen] or fire fighters, the youngest members in point of service shall be the first to be released and returned to the eligible list of the department, there to advance according to the rules of the department.

(5) The legislative body in an urban-county government may by ordinance provide that any *police officer* [policeman] or fire fighter who has successfully completed his probationary period and subsequently ceased working for the police or fire department for reasons other than dismissal may be restored to the position, rank and pay he formerly held if he so requests in writing to the appointing authority. Such person shall be eligible for reinstatement for a period of one year following his separation from the police or fire department and shall be reinstated only with the approval of the appointing authority.

Section 14. KRS 95.480 is amended to read as follows:

(1) The chief of police in cities of the second class or a *police officer* [policeman] acting under his authority shall attend all sessions of the legislative body, execute their orders, and preserve order at their sessions.

(2) The chief of police may receive the same fees, for the use of the city or urban-county government, that sheriffs are entitled to receive for like services, and have the same power to collect them.

(3) The chief of police, *police officers* [policemen] deputized by him, and others to whom the process of a court is directed and comes for execution shall execute and return the process within the time prescribed by law for sheriffs to execute and return similar process, and on their failure they and their sureties shall be liable to the same penalties as sheriffs. They shall be subject to similar penalties for not paying over moneys collected on execution, making illegal charges, false returns and like illegal acts.

(4) The district court may hear and determine motions against them and their sureties for failure to pay over moneys collected, as the circuit court has jurisdiction to hear and determine motions against defaulting sheriffs, or may proceed by fines and imprisonment to enforce the execution and return of process.

Section 15. KRS 95.490 is amended to read as follows:

(1) Each member of the police force in cities of the second class or urban-county government, before entering upon the discharge of his duties, shall take an oath before the mayor to faithfully discharge the duties of his office. The oath shall be subscribed by the person taking it, and filed in the office of the city auditor, or in urban-county governments, the office most closely resembling such office.

(2) The chief of police and each other member of the police force shall give such bond to the city or urban-county government, and with such surety as may be required by ordinance, conditioned that they will faithfully perform the duties of their office and pay over to the persons entitled thereto all moneys that may come into their hands. A lien shall exist on the lands of the chief of police or *police officers* [policemen] deputized by him, and their sureties, from the time of executing bond, for all sums of money that come into their hands.

Section 16. KRS 95.520 is amended to read as follows:

(1) There shall be in cities of the third class a *police officers'* [policemen's] and fire fighter's pension fund, and a board of trustees for that fund unless the *police officers* [policemen] and fire fighters are included in the membership of the county employes' retirement system.

(2) The board of trustees is the trustee of the pension fund, and has exclusive control and management of the pension fund and of all moneys donated or paid for the relief or pensioning of members of the police and fire departments. It may do all things necessary to protect the fund.

Section 17. KRS 95.550 is amended to read as follows:

(1) The pensions or benefits paid for disability or death from the *police officers'* [policemen's] and fire fighter's pension fund in cities of the third class shall be as follows:

(a) If any member of the police or fire department becomes temporarily totally disabled, physically or mentally, while in the performance of duty and by reason of service in the department, the board of trustees of the pension fund shall order paid to him monthly, during his disability but not longer than one (1) year, a sum of not more than sixty dollars ($60.00) per month, the amount to be determined by the board. This provision shall not apply if a salary is paid during the same period. Provided, however, That the provisions of this paragraph shall not apply unless the disabled fire fighter or *police officer* [policeman] has served from one (1) day to ten (10) years consecutively in his department, such period of service to be fixed by the board of trustees.

(b) If any member of the police or fire department becomes permanently disabled, physically or mentally, while in the performance of duty and by reason of service in the department, so as to render necessary his retirement from service in the department, the board of trustees shall retire him from service and order paid to him monthly fifty per cent (50%) of his monthly salary at the time of his retirement. Provided, however, that the provisions of this paragraph shall not apply unless the disabled fire fighter or *police officer* [policeman] has served from one (1) day to ten (10) years consecutively in his department, such period of service to be fixed by the board.

(c) If any member of the police or fire department is killed or dies as the result of an injury received in the performance of duty, or dies of any disease contracted by reason of his occupation, or dies while in the service from any cause as a result of his service in the department, or dies in service or while on the retired list from any cause after fifteen (15) consecutive years of service in the department, and leaves a widow, widower or a child under eighteen (18) years of age the board of trustees shall order a pension paid to the widow, widower or child. There shall be paid monthly to the widow or widower, while unmarried, a pension of not less than thirty dollars ($30), or not more than fifty percent of the deceased's monthly salary at the time of retirement or death and for each child until it reaches the age of eighteen (18) years, not less than six dollars ($6) or not more than ten percent of the deceased's monthly salary, such amount to be determined by the board of trustees. If the deceased member was unmarried and childless, a pension shall be paid to his dependent father and mother of not less than thirty dollars ($30) or not more than twenty percent of the deceased's monthly salary. If one (1) parent is dead, the other shall receive the entire amount and if both are living, each shall receive one-half the amount, such amount to be determined by the board of trustees.

(2) No person shall receive a pension from the *police officers'* [policemen's] and fire fighter's pension fund except as provided in this section.

Section 18. KRS 95.621 is amended to read as follows:

(1) A city of the third class may adopt an ordinance creating a pension fund for fire fighters and *police officers* [policemen] pursuant to KRS 95.621 to 95.629 as an alternative to the fund established in KRS 95.520 to 95.620. In the event a third-class city does elect to adopt KRS 95.621 to 95.629 all the provisions herein are mandatory. The provisions of KRS 95.620 shall apply to any city of the third class which has adopted KRS 95.621 to 95.629.

(2) Any member of the police or fire department serving at the time of passage of the ordinance and not desiring to participate in the fund and its benefits may be excluded by notifying the board of trustees of the pension fund in writing of his desire not to participate within ten (10) days after the effective date of this ordinance.

Section 19. KRS 95.624 is amended to read as follows:

(1) In cities of the third class, any member of the police or fire department having served twenty (20) years or longer consecutively in the police or fire department may petition the board of trustees for retirement, and if his petition is granted the board may order paid to him monthly fifty per cent (50%) of his monthly salary at the time of retirement. If this petition for retirement is denied, any *police officer* [policeman] or fire fighter has the right of appeal in accordance with the Rules of Civil Procedure.

(2) The pension payable for periods of service between twenty (20) and twenty-five (25) years shall be fifty per cent (50%) of salary plus two per cent (2%) of salary for each year in excess of twenty (20). The pension payable for twenty-five (25) years of service shall be sixty per cent (60%) of salary. The pension payable for periods of service between twenty-five (25) and thirty (30) years shall be sixty per cent (60%) of salary plus three per cent (3%) of salary for each year in excess of twenty-five (25). The pension payable for thirty (30) years of service shall be seventy-five per cent (75%) of salary.

(3) The pensions or benefits paid for disability or death from the *police officers'* [policemen's] and fire fighter's pension fund in cities of the third class shall be as follows:

(a) If any member of the police and fire department becomes temporarily totally disabled, physically or mentally, the board of trustees of the pension fund shall order paid to him monthly, during his disability, until he has recovered and returned to active duty a sum of not more than one-half (½) his salary per month, the amount to be determined by the board. This provision shall not apply if a salary is paid during the same period.

(b) If any member of the police or fire department becomes permanently disabled, physically or mentally, so as to render necessary his retirement from service in the department, the board of trustees shall retire him from service and order paid to him monthly fifty per cent (50%) of his monthly salary at the time of his retirement.

(c) If any member of the police or fire department is killed or dies as the result of an injury received in the performance of duty, or dies of any disease contracted by reason of his occupation, or dies while in the service from any cause as a result of his service in the department, or dies in service or while on the retired list from any cause after one (1) year of service in the department and leaves a widow or a child under eighteen (18) years of age the board of trustees shall order a pension paid to the widow, while unmarried, of one-half (½) of salary per month and for each child until it reaches the age of eighteen (18) years, twenty-four dollars ($24.00) per month. If the deceased member was unmarried and childless, a pension shall be paid to his dependent father and mother of one-fourth (¼) of salary per month. If one (1) parent is dead, the other shall receive the entire one-fourth (¼) salary.

Section 20. KRS 95.627 is amended to read as follows:

(1) The *police officers'* [policemen's] and fire fighter's pension fund in cities of the third class shall consist of:

(a) The proceeds of an annual tax levied by the board of commissioners or council, the amount to be determined by the commissioners or council. *Police officers* [Policemen] and fire fighters shall contribute the same rate as social security from their salary.

(b) All rewards, fees, gifts and emoluments paid or given on account of extraordinary service of any member of the police or fire department.

(2) Both the principal and interest of the pension fund shall be applicable to the payment of pensions in cities of the third class.

Section 21. KRS 95.762 is amended to read as follows:

(1) The commission shall require all applicants for appointments as members of the police or fire departments to be examined as to their qualifications to fill the office of *police officer* [policeman] or fire fighter, and as to their knowledge of the English language, and as to the law and rules governing the duties of *police officers* [policemen] and fire fighters. Every member of the police or fire department shall be a resident of the county prior to his appointment, and shall be able to read and write and understand the English language, and have such other general qualifications as may be prescribed.

(2) No person shall be appointed a member of the police or fire departments unless he is well known to be a person of sobriety and integrity, and has been and is an orderly, law-abiding citizen, nor shall any person be appointed as a member of said police or fire departments on account of any political, partisan service rendered by him or on account of political sentiments or affiliations, or who is under twenty-one (21) years of age or over forty (40), unless the applicant has had as much as five (5) years' experience as a regular *police officer* [policeman] or fire fighter and is not over fifty-five (55) years of age. No member of the police or fire departments shall be removed or discharged or reduced in grade or pay for any political partisan opinion. The appointment and continuance upon the police and fire departments shall depend solely upon the ability and willingness of a person to comply with the rules of the said departments and to perform the duties of said departments. No appointment to or continuance as a member of a police or fire department shall be as a reward for political activity nor be obtained by political services or contributions to campaign funds.

(3) The examination and qualifications provided for in this section shall not apply to the members of the regular police and fire departments at this time, who have been continuously in the service for a period of three (3) years.

(4) Members of police and fire departments otherwise qualified under this law shall hold their positions during good behavior, provided, however, that the provisions of KRS 95.761 to 95.785 shall not prevent the said city legislative body from increasing or decreasing the number of *police officers* [policemen] or fire fighters, as may be deemed proper from time to time, and provided further, that in the event the said city legislative body decreases the number of *police officers* [policemen] or fire fighters, the youngest member in point of service shall be the first to be reduced and returned to the eligible list and to advance according to the rules and regulations of said department.

(5) The civil service commission may provide that appointments for initial permanent employment may be probationary appointments for a period of not more than six (6) months, after which probationary period regular appointments shall be given to all probationary employes who are deemed to be satisfactory by the respective appointing authority.

Section 22. KRS 95.764 is amended to read as follows:

The civil service commission shall conduct an examination of persons for appointment as members of the police and fire departments each time a vacancy shall occur in said departments. The mayor shall notify the commissioners each time a vacancy occurs in either of said departments and the commissioners shall within the two (2) weeks following the receipt of such notice hold an examination for persons seeking appointment to such vacancy after giving notice by publication pursuant to KRS chapter 424. Within one (1) week following the holding of said examination, said commissioners shall certify to the legislative body the names of the three (3) persons receiving the highest grades. The legislative body may appoint any one (1) of said three (3) persons to said department. In the event a vacancy thereafter occurs in said department, or additions thereto of regular or substitute *police officers* [policemen] or fire fighters are made, within one (1) year following the certification of said names, the legislative body shall fill said vacancy or make such additions from the list of names certified. The commissioners shall make all rules and regulations for the proper conduct of their office. The civil service commissioners shall receive a salary each of one dollar ($1.00) per annum, paid out of the city's general fund, and for their services and the expense of holding any one (1) examination by the commissioners after due notice by the mayor has been given to the chairman of the said commission that a vacancy occurs in either of said departments and after the eligible list has been exhausted, shall be paid by the legislative body out of the city's general fund, not to exceed ten dollars ($10.00).

Section 23. KRS 95.768 is amended to read as follows:

(1) The police and fire fighter's pension fund in cities of the fourth class shall consist of (a) the proceeds of an annual tax, which may be levied by the city legislative body, of not more than three cents (3¢) on each hundred dollars ($100) in value of taxable property; (b) all rewards, fees, gifts or emoluments paid or given on account of extraordinary service of any member of the police or fire department; (c) assessments, which the board of trustees of the pension fund shall make, upon each member of the police and fire departments, of not more than three and one-half per cent (3 ½%) of his salary, to be held from the monthly salary and paid by the city treasurer into the pension fund.

(2) Said fund shall be for the pensioning of any *police officer* [policeman] or fire fighter who has served in the police or fire departments for at least a period of twenty (20) years or more, providing that applicant has reached his fifty-first birthday, and all members of the police and fire departments shall be entitled to be credited with the services rendered continuously prior to the adoption ordinance under the provisions of KRS 95.761, by said city, to the eligibility of the twenty (20) year or more, period for pension, not less than three (3), nor to exceed fifteen (15) years of previous service, and for the further purpose of pensioning any member of the police or fire department who may become permanently crippled while in the service and on duty, and for the further purpose of pensioning the widow or dependent children under fourteen (14) years of age, or either of them, of any member of said departments who may lose his life while in the service and on active duty. The payments made under the provisions of this section shall constitute and be kept as a fund to be called the "Policemen's and Fire Fighter's Pension Fund," and the board of trustees of the *police officers'* [policemen's] pension fund, are declared to be the trustees of said fund, and they shall have power, and it shall be their duty, from time to time, to invest the same, in whole or in part, as they shall deem most advantageous for the objects of said fund; and they are empowered to make all the necessary contracts and to pursue all the necessary remedies in the premises.

Section 24. KRS 95.769 is amended to read as follows:

Said board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund shall have the exclusive control and management of the said fund and all moneys donated, paid or assessed for the relief or for pensioning retired, crippled or disabled members of the police or fire departments or the widows and dependent children under the age of fourteen (14) years or dependent fathers or mothers of any members of the departments killed in the service, while in line of duty, and shall assess each member of the police and fire departments not exceeding three and one-half per cent (3 ½%) of the salary of such member, to be deducted and withheld from the monthly pay of each member so assessed, the same to be placed by the treasurer of such city to the credit of such fund, subject to the order of such board.

Section 25. KRS 95.776 is amended to read as follows:

Whenever an active or retired *police officer* [policeman] or fire fighter dies from any cause, the board of trustees shall appropriate from the pension fund a sum not exceeding one hundred dollars ($100), made payable to the widow or family, for funeral expenses.

Section 26. KRS 95.783 is amended to read as follows:

In the event that the provisions of KRS 95.761 to 95.785 are accepted and adopted by the legislative body of a city of the fourth class by ordinance, as herein provided, the repeal of such ordinance shall not become effective unless adopted by the unanimous vote of the duly elected members of such legislative body. In the event a repeal ordinance is adopted by such legislative body, all moneys or property belonging to the *police officers'* [policemen's] and fire fighter's pension fund at the time of the repeal of the said adoption ordinance shall be dissolved or liquidated by the board of trustees of said *police officers'* [policemen's] and fire fighter's pension fund and distributed by said board in the following manner: Within sixty (60) days of adoption by said legislative body of said repeal ordinance, the said board of trustees shall proceed with the liquidation of said pension fund as follows: All unexpended moneys appropriated to said pension fund out of the said city's general fund to the *police officers'* [policemen's] and fire fighter's pension fund by the said legislative body of such city and at the time of adoption of a repeal ordinance shall revert back to the city's general fund. All other unexpended moneys or property which has come into the said pension fund's hands shall be liquidated by said board of trustees in the following manner: All unexpended moneys in the said pension fund which accumulated thereto by assessments from *police officers'* [policemen's] and fire fighter's salaries and gifts, or accumulated thereto in any manner except appropriations from the said city's general fund, shall revert back to the active or retired *police officers* [policemen] and fire fighters and dependents who have qualified under KRS 95.761 to 95.785 in such city. In the division to the beneficiaries, the board of said trustees shall use in the division of said fund the per centum of the present salaries of such members. After all disbursements have been made of said fund by the board of trustees, the said board of trustees shall file, as their last act, a complete report of same with said legislative body within thirty (30) days, and such report shall be kept in the office of the city clerk as other city records.

Section 27. KRS 95.784 is amended to read as follows:

No *police officer* [policeman] or fire fighter shall be entitled to the benefits herein provided incidental to voluntary retirement from either of said departments on account of service, unless he shall have been employed continuously for a period of at least five (5) years from and after the date of the passage of the adoption ordinance by the legislative body, and the amount of such sum paid to such member shall be fixed by the board of trustees payable monthly, not to exceed one-half (½) of the salary such member was in receipt of at the time of voluntary retirement. The payments fixed by said trustees to such member shall not exceed one (1) year.

Section 28. KRS 95.800 is amended to read as follows:

(1) The police in cities of the sixth class shall be under the direction and control of the city marshal.

(2) The marshal shall have the powers of a sheriff for the suppression of any riot, disturbance of the peace, or resistance to law or authority. His lawful orders shall be promptly executed by deputies, police and watchmen of the city, and citizens shall lend him aid when required for the arrest of offenders and maintenance of public order.

(3) He may execute and return process issued to him by any legal authority. He shall receive the same fees as a constable for the service of process.

(4) He may, with the approval of the board of trustees, appoint deputy marshals. The only compensation of a deputy marshal shall be fees for service of process, which shall be the same as allowed to the marshal. The marshal and his sureties shall be responsible for the acts of his deputies.

(5) He may, with the approval of the board of trustees, appoint additional *police officers* [policemen] necessary to preserve public order.

(6) He shall have charge of city prisoners, and of the chain gang if one (1) is established by the board of trustees.

(7) The marshal shall perform such other duties as the city ordinances require.

Section 29. KRS 95.850 is amended to read as follows:

(1) The legislative bodies of cities of the third and fourth classes may, in their discretion, pay unto any member of the police or fire departments, in case he is disabled from an injury received while acting in his official capacity and in the line of duty to such an extent as he is unable to execute the duties of his official capacity or pursue a gainful occupation for which he is fitted by training or experience, monthly compensation benefits equal to the member's monthly earnings at the time of his injury, so long as his disability continues, but in no event shall the total amount paid as compensation benefits to any member exceed the sum of five thousand dollars ($5,000).

(2) The legislative bodies of cities of the third and fourth classes may, in their discretion, in addition to the compensation benefits provided for in subsection (1), pay the member's medical and hospital expenses, but in no event shall the payments therefor exceed the sum of one thousand dollars ($1,000).

(3) The testimony of competent medical authorities shall be the sole test as to whether any member is disabled to the extent provided for in subsection (1).

(4) This section is not applicable in any city of the third or fourth class which has in operation, pursuant to statute, a pension system for *police officers* [policemen] and fire fighters, under which disability benefits are payable.

Section 30. KRS 226.060 is amended to read as follows:

The chief of police of a city of the first class or the chief of police of a county containing a city of the first class and persons acting by his orders may examine the books of any pawnbroker or his clerk, if they deem it necessary when in search of stolen property. Any person who has in his possession a pawnbroker's ticket issued by a pawnbroker in a city of the first class or in a county containing a city of the first class shall, when accompanied by a *police officer* [policeman] or by an order from the chief or captain of police, be permitted to examine property purporting to be pawned by that ticket. No property shall be removed from the possession of any pawnbroker without the process of law required by the existing laws of the state, or the laws and ordinances of the city or county regulating pawnbrokers.

Section 31. KRS 276.240 is amended to read as follows:

(1) Except as provided in subsection (4) of KRS 276.060, no common carrier of passengers, within the meaning of section 197 of the constitution, or any officer or agent of such carrier, shall give passenger transportation within this state without charge, or for any consideration other than money paid in the usual way at the same charge open to all who desire to purchase, or at a reduced charge not common to the public, or issue any ticket, pass, permit or contract therefor, to any person except the following:

(a) Officers, bona fide employes, agents, attorneys, physicians and surgeons of such carrier, and of any other common carrier of passengers with which such carrier has an agreement for interchange of free transportation for such persons, including furloughed, pensioned and superannuated employes, and persons who have become disabled or infirm in the service of the carrier;

(b) Dependent members of the immediate families of the persons mentioned in paragraph (a), including the family of those persons killed while in the service of the carrier, and the widows and widowers, during widowhood and widowerhood, and minor children of those persons who died while in the service of the carrier;

(c) Ministers of religion and persons engaged exclusively in charitable and eleemosynary work;

(d) Traveling secretaries of Young Men's and Young Women's Christian Associations;

(e) Officers and inmates of homes for the rescue and reform of the unfortunate or vicious, including persons about to enter such institutions and persons returning home after discharge;

(f) Indigent, destitute and homeless persons, and, when transported by charitable societies or hospitals, the necessary agents employed in such transportation;

(g) Inmates of federal or state homes for soldiers and sailors;

(h) Persons injured in wrecks or accidents and physicians and nurses attending such persons;

(i) Witnesses attending any legal investigation or proceeding in which the common carrier is interested;

(j) Necessary caretakers of livestock, poultry, milk or fruit, to the point of destination and returning to the forwarding point;

(k) Employes of sleeping cars and express cars, and linemen of telegraph and telephone companies;

(l) Railway mail service employes, post office inspectors, custom inspectors and immigration inspectors;

(m) Newsboys on trains and baggage agents;

(n) *Police officers* [Policemen] and fire fighters of any city, wearing the insignia of their office, for transportation within the limits of such city;

(o) School children going to and returning from public or parochial schools;

(p) Students going to or returning from the state university or any state teachers' college;

(q) Regularly employed common school and high school inspectors;

(r) All persons traveling upon a special train or car provided by the common carrier for educational, health or agricultural purposes, or any car for the distribution of fish or game;

(s) Employes of the department of fish and wildlife resources, while engaged in the distribution of fish or game;

(t) Officers or regular accredited representatives of labor organizations composed wholly of employes of common carriers of passengers.

(2) This section does not prevent the bona fide exchange of transportation for advertising matter actually contracted for.

(3) No person, other than those mentioned in subsection (4) of KRS 276.060 and in paragraphs (a) to (t) of subsection (1) of this section, shall accept, use or attempt to use any transportation or evidence of right to transportation given or issued in violation of subsection (1) of this section.

Section 32. KRS 277.270 is amended to read as follows:

(1) Any company owning or operating a railroad in this state may apply to the governor to appoint and commission as railroad *police officers* [policemen] such persons as the company designates. The governor, upon such application being made and upon the payment to him of a fee of five dollars ($5.00) for each *police officer* [policeman] to be appointed, shall appoint such persons as the company designates, or as many thereof as he deems proper to be such *police officers* [policemen], and shall give commissions to those appointed.

(2) When a railroad company no longer needs the services of a railroad *police officer* [policeman] so appointed, notice to that effect, signed by the general manager or by the person in charge of operating the railroad, may be filed in the several offices in which the commission of the *police officer* [policeman] is recorded. The clerk shall note the fact upon the margin of the record where the commission is recorded, and thereupon the power of the *police officer* [policeman] shall cease as to any particular county in which such notice is so filed and recorded.

Section 33. KRS 277.280 is amended to read as follows:

(1) Each railroad *police officer* [policeman] shall, before he enters upon the discharge of the duties of his office, execute bond, with good security, conditioned for the faithful performance of his duty as such *police officer* [policeman], and take and subscribe an oath of office and the oath required by Section 228 of the constitution. The bond shall be executed in the county in which the *police officer* [policeman] resides, or in which the railroad has its registered process agent, if any, within the state, or in which the *police officer* [policeman] performs any duties as a railroad *police officer* [policeman], and the bond shall be approved, and the oath administered, by the county judge/executive. The bond and oath shall be entered of record by the county clerk, and the execution of the bond and the taking of the oath shall be indorsed upon the commission of the person so qualifying. Each *police officer* [policeman] so appointed and commissioned shall, throughout the counties through which the railroad operates, have and exercise the powers of sheriffs and constables in making arrests for public offenses committed upon or about railroad property, and in serving process in criminal and penal prosecutions for such offenses, and shall be subject to all the liabilities of sheriffs or constables.

(2) The compensation of railroad *police officers* [policemen] shall be fixed and paid by the railroad company for which they are appointed.

Section 34. KRS 277.290 is amended to read as follows:

(1) Each railroad *police officer* [policeman] shall, while on duty, wear a metal badge or shield, with the words "railroad police" and the name or initials of the railroad engraved thereon. When acting as a detective in the service of the railroad, he may wear the badge or shield concealed.

(2) Every railroad company shall require a uniform hat or cap and distinguishing badges to be worn by all its employes, other than engineers and firemen, whose duties relate immediately to the transportation of passengers.

Section 35. KRS 304.34-080 is amended to read as follows:

(1) No bail bondsman shall:

(a) Pay a fee or rebate or give or promise anything of value to a jailer, *police officer* [policeman], police officer, committing magistrate, or any other person who has power to arrest or hold in custody, or to any public official or public employe in order to secure a settlement, compromise, remission or reduction of the amount of any bail bond, or to secure delay or other advantage, except this shall not prohibit public reward paid for the return of a fugitive;

(b) Pay a fee or rebate or give anything of value to an attorney in bail bond matters, except in defense of an action on a bond;

(c) Pay a fee or rebate or give or promise anything of value to the principal or anyone in his behalf;

(d) Participate in the capacity of an attorney at a trial or hearing of one on whose bond he is surety;

(e) Accept anything of value from the principal except the premium, provided that the bondsman shall be permitted to accept collateral security which shall be returned upon payment of the premium on the bond or their indemnity which shall be returned upon either final termination of liability on the bond or the posting of other accepted collateral. Such collateral security or other indemnity required by the bondsman must be reasonable in relation to the amount of the bond;

(f) Contribute any money or other thing of value or obligation therefor, to support or defeat a candidate for election to an office the duties of which are such that the holder thereof can exert power or influence upon the day-to-day conduct of the bail bond business; or

(g) Accept anything of value for suggesting or advising the employment of any particular attorney to represent the principal.

(2) Law enforcement, adjudication and prosecution officials, and their employes, attorneys-at-law officials authorized to admit to bail, state officers, and county and city executive officers, shall not be bail bondsmen and shall not directly or indirectly receive any benefits from the execution of any bail bond.

(3) A bail bondsman shall not sign or countersign in blank any bond. No bondsman shall give a power of attorney to, or otherwise authorize, anyone to countersign his name to bonds, unless the person so authorized is also a licensed bondsman directly employed by the bondsman giving such power of attorney.

Section 36. KRS 446.010 is amended to read as follows:

As used in the statute laws of this state, unless the context requires otherwise:

(1) "Action" includes all proceedings in any court of this state;

(2) "Animal" includes every warmblooded living creature except a human being;

(3) "Attorney" means attorney at law;

(4) "Bequeath" and "devise" mean the same thing;

(5) "Bequest" and "legacy" mean the same thing, and embrace either real or personal estate, or both;

(6) "Cattle" includes horse, mule, ass, cow, ox, sheep, hog or goat of any age or sex;

(7) "Company" may extend and be applied to any corporation, company, person, partnership, joint stock company or association;

(8) "Corporation" may extend and be applied to any corporation, company, partnership, joint stock company or association;

(9) "Cruelty" as applied to animals includes every act or omission whereby unjustifiable physical pain, suffering or death is caused or permitted;

(10) "Directors", when applied to corporations, includes managers or trustees;

(11) "Domestic", when applied to corporations, means all those incorporated or formed by authority of this state;

(12) "Domestic animal" means any animal converted to domestic habitat;

(13) "Federal" refers to the United States;

(14) "Foreign", when applied to corporations, includes all those incorporated or formed by authority of any other state;

(15) "Humane society", "society", or "Society for the Prevention of Cruelty to Animals", means any nonprofit corporation, organized under the laws of this state and having as its primary purpose the prevention of cruelty to animals;

(16) "Issue", as applied to the descent of real estate, includes all the lawful lineal descendants of the ancestors;

(17) "Juvenile court" means the juvenile session of district court;

(18) "Land" or "real estate" includes lands, tenements and hereditaments and all rights thereto and interest therein, other than a chattel interest;

(19) "Legatee" and "devisee" convey the same idea;

(20) "May" is permissive;

(21) "Month" means calendar month;

(22) "Oath" includes "affirmation" in all cases in which an affirmation may be substituted for an oath;

(23) "Owner" when applied to any animal, means any person having a property interest in such animal;

(24) "Peace officer" includes sheriffs, constables, coroners, jailers, marshals, *police officers* [policemen] and other persons with similar authority to make arrests;

(25) "Penitentiary" includes all of the state penal institutions except the houses of reform;

(26) "Person" may extend and be applied to bodies-politic and corporate, societies, communities, the public generally, individuals, partnerships and joint stock companies;

(27) "Personal estate" includes chattels, real and other estate that passes to the personal representative upon the owner dying intestate;

(28) "Regular election" means the election in even numbered years at which members of Congress are elected and the election in odd numbered years at which state officers are elected;

(29) "Shall" is mandatory;

(30) "State" when applied to a part of the United States, includes territories, outlying possessions and the District of Columbia; "any other state" includes any state, territory, outlying possession, the District of Columbia, and any foreign government or country;

(31) "Sworn" includes "affirmed" in all cases in which an affirmation may be substituted for an oath;

(32) "United States" includes territories, outlying possessions and the District of Columbia;

(33) "Vacancy in office", or any equivalent phrase, means such as exists when there is an unexpired part of a term of office without a lawful incumbent therein, or when the person elected or appointed to an office fails to qualify according to law, or when there has been no election to fill the office at the time appointed by law; it applies whether the vacancy is occasioned by death, resignation, removal from the state, county or district, or otherwise;

(34) "Violate" includes failure to comply with;

(35) "Will" includes codicils; "last will" means last will and testament;

(36) "Year" means calendar year; and

(37) "City" includes town.

Section 37. KRS 527.020 is amended to read as follows:

(1) A person is guilty of carrying a concealed weapon when he carries concealed a firearm or other deadly weapon on or about his person.

(2) Peace officers, when necessary for their protection in the discharge of their official duties; United States mail carriers when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed weapons on or about their person.

(3) *Police officers* [Policemen] directly employed by state, county, city or urban-county governments may carry concealed deadly weapons on or about their person at all times within the Commonwealth of Kentucky, when expressly authorized to do so by the government employing the officer.

(4) A deadly weapon shall not be deemed concealed on or about the person if it is located in a glove compartment, regularly installed in a motor vehicle by its manufacturer regardless of whether said compartment is locked, unlocked, or does not have a locking mechanism.

(5) Carrying a concealed weapon is a Class A misdemeanor unless the defendant has been previously convicted of a felony in which a deadly weapon was possessed, used or displayed in which case it is a Class D felony.

Section 38. KRS 67A.360 is amended to read as follows:

Words and phrases, wherever used in KRS 67A.360 to 67A.690, unless a different meaning is clearly indicated by the context, shall have the following meanings:

(1) "Fund" shall mean the "*Police officers'* [Policemen's] and Fire fighter's Retirement Fund of the .... Urban-County Government";

(2) "Government" shall mean the governmental unit of any urban-county government in the Commonwealth of Kentucky, including the governmental unit of any former urban-county government which changes its form of government, class or other status;

(3) "Department" shall mean the police department or the fire department of a government;

(4) "Board" shall mean the board of trustees provided in KRS 67A.360 to 67A.690 as the agency responsible for the direction and operation of the affairs and business of the fund. The board shall hold title to all assets of the fund;

(5) "Member" shall mean any member of the police or fire department who is included in the membership of the fund;

(6) "Service" shall mean actual employment in a department of a government, or a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government, for salary or compensation, or service otherwise creditable as herein provided;

(7) "Prior service" shall mean service rendered prior to the date of establishment of the fund or the fund of a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government;

(8) "Membership service" shall mean service rendered on or after the date of establishment of the fund or the fund of a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government;

(9) "Total service" shall mean prior service, membership service, and military service;

(10) "Regular interest" shall mean such rate of interest as shall be fixed by the board, provided that for the first five (5) years of operation of the fund the rate shall be not less than three percent (3%) per annum, compounded annually;

(11) "Occupational disability" shall mean disability due to occupational causes, including but not limited to injury or disease. The presumption of contracting disease "while on active duty as a result of strain or the inhalation of noxious fumes, poisons or gases" created by KRS 79.080 shall be a presumption of "occupational disability" hereunder;

(12) "Occupational death" shall mean death due to occupational causes, including but not limited to injury or disease;

(13) "Average salary" shall mean the highest average annual salary of the member for any three (3) consecutive years of service within the total service of the member;

(14) The masculine pronoun, wherever used, shall include the feminine pronoun; and widow shall include widower;

(15) The fiscal year of the fund shall date from July 1 of any year to June 30 of the next year following;

(16) "Total disability" shall mean a disability which substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation in the service of the department that he would be competent to perform were it not for the fact that the impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely;

(17) "Minor child" includes, as applicable, a child under the age of twenty-three (23) still engaged in full-time education; and

(18) "Mayor," "director of finance," "director of personnel" shall mean the persons holding the office or job most closely resembling the ordinary meaning of such terms, in the event that a government does not have an office so described.

Section 39. KRS 67A.370 is amended to read as follows:

There is hereby established in urban-county governments, a retirement and benefit fund for members of the police and fire departments, their dependents and beneficiaries. The fund shall be known as the "*Police officers'* [Policemen's] and Fire fighter's Retirement Fund of the .... Urban-County Government." In such name all of its business shall be transacted, all of its moneys invested and all of its accumulated reserves consisting of cash, securities, and other property shall be held.

Section 40. KRS 69.575 is amended to read as follows:

It shall be the duty of the city attorney in cities of the fourth class to give advice to the board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund in all matters pertaining to their duties and management of said fund whenever requested, and he shall represent and defend said board as its attorney in all suits or actions at law or in equity that may be brought against it, and bring all suits and actions in its behalf that may be required or determined upon by said board.

Section 41. KRS 89.580 is amended to read as follows:

(1) The board of commissioners may upon the written advice of the city manager, create by ordinance such administrative departments as in the judgment of the board are reasonably required for the efficient, orderly and economical administration of the business affairs of the city. It may at any time create new departments, combine or abolish existing departments, or establish temporary departments. It may also prescribe by ordinance the functions of each department and subject to the provisions of KRS 95.430 to 95.690 and 90.300 to 90.420 and such civil service regulations as may be deemed necessary for the efficient and nonpolitical handling of city affairs, provide for the appointment and removal of a director and the employes of each department.

(2) This section does not apply to the police and fire departments of a city of the second class, and organization under the city manager form of government shall not affect the laws relating to *police officers'* [policemen's] and fire fighter's pension funds in cities of the second class.

Section 42. KRS 95.290 is amended to read as follows:

(1) The city legislative body in cities of the first class may enact ordinances providing for a system of pensions for retired and disabled members of the police and fire divisions of the department of public safety

and their dependents, may appropriate funds for the purpose of paying such pensions, may allot and pay to the *police officers'* [policemen's] pension fund or the fire fighter's pension fund or either or both of them, all fines and forfeitures imposed upon members of the respective divisions, and may provide for, assess and collect contributions from the members for the benefit of the fund.

(2) Any pension fund established under the provisions of this section shall be held and distributed for the purpose of paying pensions and for no other purpose, except that the governing board of the fund may annually expend for the necessary expenses connected with the fund, including but not limited to expenses for medical, actuarial, accounting and legal services, the amount such governing board deems proper.

(3) Any ordinance establishing a pension fund under this section shall make equitable provision for the rights of persons having an interest in assets transferred to the fund from any fund heretofore established by statute.

Section 43. KRS 95.530 is amended to read as follows:

In cities of the third class the board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund is composed of the mayor, city treasurer, chief of the police department, chief of the fire department and one (1) member each from the police and fire departments. The members from the police and fire departments shall be elected by the respective members of those departments annually by ballot, one (1) from each department, and shall serve for one (1) year and until their respective successors are elected and qualified. The board shall select from their number a president and a secretary.

Section 44. KRS 95.580 is amended to read as follows:

(1) The *police officers'* [policemen's] and fire fighter's pension fund in cities of the third class shall consist of:

(a) The proceeds of an annual tax, which may be levied by the city legislative body, of not less than one cent (1¢) nor more than four cents (4¢) on each one hundred dollars ($100) in value of taxable property.

(b) All rewards, fees, gifts and emoluments paid or given on account of extraordinary service of any member of the police or fire department.

(c) Assessments, which the board of trustees of the pension fund may make, upon each member of the police and fire departments, of not less than one per cent (1%) nor more than four per cent (4%) of his salary, to be withheld from the monthly salary and paid by the city treasurer into the pension fund.

(2) Both the principal and interest of the pension fund shall be applicable to the payment of pensions in cities of the third class.

Section 45. KRS 95.620 is amended to read as follows:

(1) Except as provided in subsections (2), (3) and (4) of this section, the *police officers'* [policemen's] and fire fighter's pension fund in cities of the third or fourth class shall be held and distributed for the purpose of paying pensions and benefits, and for no other purpose.

(2) The board of trustees of the pension fund may refund a member's contributions upon that member's withdrawal from service prior to qualifying for pension. The member shall be entitled to receive a refund of the amount of contributions made by the member after the date of establishment, without interest.

(3) Any member receiving a refund of contributions shall thereby ipso facto forfeit, waive, and relinquish all accrued rights and benefits in the system, including all credited and creditable service. The board may, in its discretion, regardless of cause, withhold payment of a refund for a period not to exceed six months after receipt of an application from a member.

(4) Any member who has received a refund shall be considered a new member upon subsequent re-employment if such person qualifies for membership under the provisions hereof. After the completion of at least five years of continuous membership service following his latest re-employment, such member shall have the right to make a repayment to the system of the amount or amounts previously received as refund, including six per cent interest from the dates of refund to the date of repayment. Upon the restoration of such refunds, as herein provided, such member shall have reinstated to his account all credited service represented by the refunds of which repayment has been made. Repayment of refunds by any member shall include all refunds received by a member prior to the date of his last withdrawal from service and shall be made in a single sum.

Section 46. KRS 95.622 is amended to read as follows:

(1) There shall be created in cities of the third class a *police officers'* [policemen's] and fire fighter's pension fund, and a board of trustees for that fund.

(2) In cities of the third class the board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund shall be composed of the mayor, city treasurer, chief of the police department, chief of the fire department and one (1) member each from the police and fire departments shall be elected by the respective members of those departments annually by ballot, one (1) from each department, and shall serve for one (1) year and until their successors are elected and qualified. The board shall select from their number a president and a secretary. The board of trustees shall be the trustees of the pension fund and of all moneys donated or paid for the relief or pensioning of members of the police and fire departments. It may do all things necessary to protect the fund.

Section 47. KRS 95.623 is amended to read as follows:

(1) The board of trustees of the pension fund may make all necessary rules for its government in the discharge of its duties, and shall hear and decide all applications for benefits or pensions. Its decision on these applications shall be conclusive, and not subject to revision or reversal, except by the board except as provided in subsection (1) of KRS 95.624. A record shall be kept of the meetings and proceedings of the board.

(2) The board of trustees of the pension fund shall make an annual report on the condition of the pension fund to the city commission or council at its first meeting in May of each year.

(3) The city attorney shall, if requested, advise the board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund in all matters pertaining to its duties and to the management of the fund. He shall represent and defend the board in all actions that may be brought against it, and bring all action in its behalf that may be requested by the board.

Section 48. KRS 95.761 is amended to read as follows:

(1) Any city of the fourth or fifth class which has now, or in which there may be hereafter established a regular police or fire department in the future, may by ordinance create a civil service commission, whose duties shall be to hold examinations as to the qualifications of applicants for employment within the police or fire departments.

(2) A city of the fourth or fifth class is authorized to adopt the provisions of KRS 95.520 to 95.620 governing *police officers'* [policemen's] and fire fighter's pension fund, the same as a city of the third class.

(3) A city of the fourth or fifth class is authorized to adopt the provisions of KRS 90:300 to 90.420 governing civil service, the same as a city of the third class.

(4) The legislative body of the city of the fourth or fifth class after adoption of the provisions of KRS 95.520 to 95.620 relating to a *police officers'* [policemen's] and fire fighter's pension plan, or KRS 90.300 to 90.420 relating to a civil service, may not revoke, rescind or repeal these adoptions.

(5) (a) Any of the following offices, positions, and places of employment, in the police and fire departments, may be excluded from the classified service: The chief of police, assistant chief of police, chief of fire fighters and assistant chief of fire fighters .

(b) Any classified employe in either department who shall accept an appointment and qualify as chief of police, assistant chief of police, chief of fire fighters, or assistant chief of fire fighters , shall be deemed to have received a leave of absence from the classified service for, and during the incumbency of, any of said respective positions. Should any such chief or assistant chief, cease to serve as such, the same classification and rank which he had prior to said appointment shall be restored to him.

Section 49. KRS 95.767 is amended to read as follows:

There shall be organized in connection with said police and fire departments a board to be known as the board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund, which shall be composed of the mayor of the city, city treasurer, police chief and fire chief, and one (1) member of the city council or city commissioners appointed by the mayor of said city, and said trustees shall select from their number a president and secretary. The city treasurer shall be ex officio treasurer of said board and custodian of its funds.

Section 50. KRS 95.771 is amended to read as follows:

The said board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund shall have all needful rules and regulations for its government in the discharge of its duties, and shall hear and decide all applications for relief or pensions under KRS 95.761 to 95.785, and its decision of such applications shall be final and conclusive, and not subject to revisions or reversal, except by said board, and a record shall be kept of all meetings and the proceedings of said board.

Section 51. KRS 95.772 is amended to read as follows:

The said board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund shall have the power to draw such pension fund from the treasury and may invest the same, or any part thereof, in the name of the board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund, in interest-bearing bonds of the United States or the state of Kentucky, or any county or city of the first, second, third or fourth class in the state of Kentucky, or in any securities in which trustees or guardians are permitted to invest trust or guardianship funds under the laws of this state, and all such securities shall be deposited with the treasurer of said city as ex officio treasurer of said board and shall be subject to the order of said board. Both the principal and interest of said pension fund shall be applicable to the payment of pensions under KRS 95.761 to 95.785.

Section 52. KRS 95.778 is amended to read as follows:

The treasurer of the board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund shall be the custodian of said pension fund and shall securely and safely keep the same, subject to the control and direction of said board, and shall keep his or her books and accounts concerning such fund in such manner as may be prescribed by the board and the said books and accounts shall always be subject to the inspection of the board or any member thereof. The treasurer shall, within ten (10) days after his appointment or election, execute a bond to the city with good and sufficient surety, in such penal sum as the legislative body shall direct, to be approved by the legislative body of said city, conditioned for the faithful performance of the duties of his or her office, and that he or she will safely keep and well and truthfully account for all money and properties which may come into his or her hands as such treasurer; and that, upon the expiration of his or her term of office, he or she will surrender and deliver to his or her successor all bonds, securities, and all unexpended moneys or other properties which may have come into his or her hands as treasurer of said fund. Said bond shall be filed in the office of the city clerk, as other bonds, and may be sued on in the name of the said city, for the use of said board of trustees, or in the name of the board of trustees, or any person or persons injured by a breach thereof. The premium on said bond shall be paid out of said pension fund in the manner provided in KRS 95.761 to 95.785 for expending sums.

Section 53. KRS 95.782 is amended to read as follows:

The board of trustees of the *police officers'* [policemen's] and fire fighter's pension fund shall make a report in writing, signed by the president and secretary of said board, to the legislative body of said city, of the condition of said pension fund, on the first meeting in September of the legislative body of said city in each and every year.

Section 54. KRS 95.851 is amended to read as follows:

Words and phrases, used in KRS 95.851 to 95.885, unless a different meaning is clearly indicated by the context, shall have the following meanings:

(a) "Fund" shall mean the "*Police officers'* [Policemen's] and Fire fighter's Retirement Fund of the City of ....."

(b) "City" shall mean any city of the second class in the state of Kentucky, or city of the second class which may subsequently attain first-class status.

(c) "Department" shall mean the police department or the fire department of a city.

(d) "Board" shall mean the board of trustees provided for herein as the agency responsible for the direction and operation of the affairs and business of the fund. The board shall hold title to all assets of the fund.

(e) "Member" shall mean any member of the police or fire department who is included in the membership of the fund.

(f) "Service" shall mean actual employment in a department of a city for salary or compensation, or service otherwise creditable as herein provided.

(g) "Prior service" shall mean service rendered prior to the date of establishment.

(h) "Membership service" shall mean service rendered on or after the date of establishment.

(i) "Total service" shall mean prior service, membership service, and military service.

(j) "Regular interest" shall mean such rate of interest as shall be fixed by the board, provided that for the first five (5) years of operation of the fund the rate shall be three per cent (3%) per annum, compounded annually.

(k) "Occupational disability" shall mean disability due to occupational causes, including but not limited to injury or disease. The presumption of contracting disease "while on active duty as a result of strain or the inhalation of noxious fumes, poisons or gases" created by KRS 79.080 shall be a presumption of "occupational disability" hereunder.

(l) "Occupational death" shall mean death due to occupational causes, including but not limited to injury or disease.

(m) "Average salary" shall mean the highest average annual salary of the member for any three (3) consecutive years of service within the total service of the member.

(n) The masculine pronoun, wherever used, shall include the feminine pronoun; also, widow shall include widower.

(o) The fiscal year of the fund shall date from July 1 of any year to June 30 of the next year following.

(p) "Total disability" shall mean a disability which substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation in the service of the department that he would be competent to perform were it not for the fact that the impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely.

Section 55. KRS 95.852 is amended to read as follows:

There is hereby established in cities of the second class, a retirement and benefit fund for members of the police and fire departments, their dependents and beneficiaries. The fund shall be established as of July 1, 1956, and shall be known as the "*Police officers'* [Policemen's] and Fire fighter's Retirement Fund of the City of ....." In such name all of its business shall be transacted, all of its moneys invested and all of its accumulated reserves consisting of cash, securities, and other property shall be held.

Section 56. KRS 95A.010 is amended to read as follows:

(1) This chapter shall apply to the personnel of all fire departments in the state whether paid or unpaid, or both.

(2) Except as expressly provided in this chapter, nothing herein contained shall be deemed to limit the powers, rights, duties, and responsibilities of municipal or county governments, or the fire fighter's and *police officers'* [policemen's] civil service act.

The Committee on Judiciary reported **HB 200, HB 306** with Committee Amendment attached thereto, **HB 448, HB 449** with Committee Amendment attached thereto, **HB 580, SB 118,** and **SB 119** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 200, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 510.040 is amended to read as follows:
(1) A person is guilty of rape in the first degree when:
(a) He engages in sexual intercourse with another person by forcible compulsion; or
(b) He engages in sexual intercourse with another person who is incapable of consent because he:
1. Is physically helpless; or
2. Is less than twelve years old.
(2) Rape in the first degree is a Class B felony unless the victim is under twelve (12) years old or receives a serious physical injury in which case it is a Class A felony *if the defendant is under eighteen (18) years of age or a Class A (Modified) felony if the defendant is eighteen (18) years of age or over.*
Section 2. KRS 532.030 is amended to read as follows:
(1) When a person is convicted of a capital offense he shall have his punishment fixed at death or imprisonment in accordance with KRS 532.035.
(2) When a person is convicted of a Class A felony he shall have his punishment fixed at imprisonment in accordance with KRS 532.060.
(3) *When a person is convicted of a Class A (Modified) felony he shall have his punishment fixed at life imprisonment without possibility of parole in accordance with KRS 532.060.*
(4) When a person is convicted of an offense other than a capital offense, *Class A (Modified) felony,* or Class A felony, he shall have his punishment fixed at:
(a) A term of imprisonment authorized by this chapter; or
(b) A fine authorized by KRS Chapter 534; or
(c) Both imprisonment and a fine unless precluded by the provisions of KRS Chapter 534.
Section 3. KRS 532.040 is amended to read as follows:
When a person is convicted of an offense, other than a capital offense *or a Class A (Modified) felony,* the court, where authorized by KRS Chapter 533, may sentence such person to a period of probation or to a period of conditional discharge as provided in that chapter. A sentence to probation or conditional discharge shall be deemed a tentative one to the extent that it may be altered or revoked in accordance with KRS Chapter 533, but for purposes of appeal shall be deemed to be a final judgment of conviction. In any case where the court imposes a sentence of probation or conditional discharge, it may also impose a fine as authorized by KRS Chapter 534.
Section 4. KRS 532.050 is amended to read as follows:
(1) No court shall impose sentence for conviction of a felony, other than a capital offense *or a Class A (Modified) felony,* without first ordering a presentence investigation after conviction and giving due consideration to a written report of such investigation.
(2) The report shall be prepared and presented by a probation officer and shall include an analysis of the defendant's history of delinquency or criminality, physical and mental condition, family situation and background, economic status, education, occupation, personal habits, and any other matters that the court directs to be included.
(3) Before imposing sentence for a felony conviction, the court may order the defendant to submit to psychiatric observation and examination for a period not exceeding sixty days. The defendant may be remanded for this purpose to any available clinic or mental hospital or the court may appoint a qualified psychiatrist to make the examination.
(4) Before imposing sentence, the court shall advise the defendant or his counsel of the factual contents and conclusions of any presentence investigation or psychiatric examinations and afford a fair opportunity and a reasonable period of time, if the defendant so requests, to controvert them. The sources of confidential information need not, however, be disclosed.
Section 5. KRS 532.060 is amended to read as follows:

(1) A sentence of imprisonment for a felony shall be an indeterminate sentence, the maximum of which shall be fixed within the limits provided by subsection (2), and subject to modification by the trial judge pursuant to KRS 532.070.

(2) The authorized maximum terms of imprisonment for felonies are:

(a) *For a Class A (Modified) felony, life imprisonment without possibility of parole;*

(b) For a Class A felony, not less than twenty years nor more than life imprisonment;

(c)[(b)] For a Class B felony, not less than ten years nor more than twenty years;

(d)[(c)] For a Class C felony, not less than five years nor more than ten years; and

(e)[(d)] For a Class D felony, not less than one year nor more than five years.

(3) The actual time of release within the maximum established by subsection (1), or as modified pursuant to KRS 532.070, shall be determined under procedure established elsewhere by law.

Section 6. KRS 533.010 is amended to read as follows:

(1) Any person who has been convicted of a crime and who has not been sentenced to death *or life imprisonment without possibility of parole* may be sentenced to probation or conditional discharge as provided in this chapter.

(2) Before imposition of a sentence of imprisonment the court shall consider the possibility of probation or conditional discharge. After due consideration of the nature and circumstances of the crime and the history, character and condition of the defendant, probation or conditional discharge should be granted unless the court is of the opinion that imprisonment is necessary for protection of the public because:

(a) There is substantial risk that during a period of probation or conditional discharge the defendant will commit another crime; or

(b) The defendant is in need of correctional treatment that can be provided most effectively by his commitment to a correctional institution; or

(c) A disposition under this chapter will unduly depreciate the seriousness of the defendant's crime.

Section 7. KRS 439.265 is amended to read as follows:

(1) Subject to the provisions of KRS Chapter 439 and Chapters 500 to 534, any district or circuit court may, upon motion of the defendant made not earlier than thirty (30) days nor later than sixty (60) days after the defendant has been delivered to the keeper of the institution to which he has been sentenced, suspend the further execution of the sentence and place the defendant on probation upon such terms as the court determines. The court which tried the defendant may also suspend the sentence and place the defendant on probation upon its own motion, made within the same thirty (30) day period.

(2) The court shall consider any motion filed in accordance with subsection (1) of this section within sixty (60) days of the filing date of that motion, and shall enter its ruling within ten (10) days after considering the motion. The defendant may, in the discretion of the trial court, have the right to a hearing on any motion he may file, or have filed for him, that would suspend further execution of sentence. Any court order granting or denying a motion to suspend further execution of sentence is not reviewable.

(3) The authority granted in this section shall be exercised by the judge who imposed sentence on the defendant, unless he is unable to act and it appears that his inability to act should continue beyond the expiration of the term of the court. In such case, the judge who imposed sentence shall assign a judge to dispose of a motion filed under this section, or as prescribed by the rules and practices concerning the responsibility for disposition of criminal matters.

(4) The provisions of this section shall not apply where a sentence of death *or life imprisonment without possibility of parole* has been imposed.

HB 306, AN ACT relating to penalties for fish and wildlife violations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 150.990 is amended to read as follows:

(1) Each bird, fish or animal taken, possessed, bought, sold or transported and each device used or possessed contrary to the provisions of this chapter or any regulation adopted by the commissioner thereunder shall constitute a separate offense. The penalties prescribed in this section shall be for each offense.

(2) Any person who violates any of the provisions of this chapter or any regulations adopted by the commission hereunder, for which no definite fine or imprisonment is fixed, shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100).

(3) Any person who violates any of the provisions of subsection (3) of KRS 150.090, subsections (1) and (2) of KRS 150.180, KRS 150.300, KRS 150.330, subsection (2) of KRS 150.360, KRS 150.485 or KRS 150.600 shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200) or imprisoned for not more than six (6) months, or both.

(4) Any person who violates any of the provisions of KRS 150.460 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned for not more than six (6) months, or both, and in addition to such penalties shall be liable to the department in an amount reasonably necessary to restock such fish or replenish such other wildlife which has been killed or destroyed.

(5) Any licensee who violates any provisions of this chapter or any regulations adopted by the commissioner thereunder shall, in addition to the penalties provided in subsections (2), (3) and (4) of this section *and in KRS 150.992*, forfeit his license and shall not be permitted to purchase another license for the same calendar year.

(6) Any county clerk, deputy clerk or agent who knowingly makes a false entry upon a license record or report, in violation of subsection (2) of KRS 150.190 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(7) Any person who violates the provisions of KRS 150.390(1), (2), (3) or (4) shall be fined not less than one hundred dollars ($100), nor more than five hundred dollars ($500).

(8) Any person who violates the provisions of KRS 150.390(5) shall be fined not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000), or imprisoned for not less than thirty (30) days nor more than one (1) year, or both.

(9) Any person who violates the provisions of KRS 150.390(5) shall, in addition to the penalties prescribed in subsection (8) of this section, forfeit his hunting license and shall not be permitted to apply nor be issued a hunting permit for a period of one (1) to three (3) years and in addition shall be liable to the department in an amount reasonably necessary to replace any deer or wild turkey taken in violation of KRS 150.390(5).

(10) Any person who violates KRS 150.525 shall be fined not less than twenty-five dollars ($25), nor more than two hundred dollars ($200) or imprisoned for not more than six (6) months, or both.

(11) Any person who violates any regulation which has been or may be hereafter adopted by the commission under any provisions of this chapter or which is adopted to supplement, explain, carry out or limit any provision of this chapter, shall be subject to the same penalty as is provided for the violation of any provisions of this chapter under which the regulation is adopted or which the regulation supplements, explains, carries out or limits.

(12) Any person violating the provisions of subsection (1) of KRS 150.670, shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100).

(13) Any nonresident who violates KRS 150.235, subsection (2) or (3), shall be fined not less than fifty dollars ($50) nor more than two hundred dollars ($200).

(14) No fines, penalty, or judgment assessed or rendered under this chapter shall be suspended, reduced or remitted otherwise than expressly provided by law.

(15) Any person who violates any provision of KRS 150.183 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each violation.

Section 2. KRS 150.992 is amended to read as follows:

Any person who violates KRS 150.365 shall be fined not more than *one thousand dollars ($1,000) nor less than two hundred and fifty dollars ($250) and* [two hundred dollars ($200) or] imprisoned for not more than three (3) months *nor less than thirty (30) days*[, or both].

The Committee Amendment No. 1 to **HB 306** is as follows:

Amend printed copy of **HB 306,** page 4, line 17, by deleting the words "*two hundred and fifty dollars ($250) and*", and substituting in lieu thereof "*five hundred dollars ($500) or*"

and on page 4, line 19, by deleting the words: "*nor less than thirty (30) days*"

and on page 4, line 19, by removing the bracket before the comma and by removing the bracket after "both"

HB 448, AN ACT relating to mortgage liens and their priorities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 382.520 is amended to read as follows:

(1) In all cases where a loan is *secured by a real estate mortgage* [made by a bank, trust company, or savings and loan association incorporated and doing business under the laws of this Commonwealth or incorporated and doing business under the laws of the United States of America], the mortgage originally executed and delivered by the borrower to the *lender* [bank, trust company or building association] shall

secure payment of all renewals and extensions of the loan and the note evidencing it, whether so provided in the mortgage or not.

(2) [and] The mortgage *referred to in subsection (1) of this section* may secure any additional indebtedness, whether direct, indirect, existing, future, contingent or otherwise, to the extent expressly authorized by the mortgage, if the mortgage by its terms stipulates the maximum additional indebtedness which may be secured thereby. *The mortgage lien authorized by this subsection shall be superior to any liens or encumbrances of any kind created after recordation of such mortgage, even to the extent of sums advanced by a lender with actual or constructive notice of a subsequently created lien, provided, however, any mortgagee upon request of a mortgagor must release that amount of a lien to secure additional indebtedness as exceeds the balance of such indebtedness at the time of such request.*

HB 449, AN ACT relating to Debt Collecting Expenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 453 IS CREATED TO READ AS FOLLOWS:

Any provisions in a writing which create or evidence a debt, or create or evidence a lien on real or personal property, requiring the debtor, obligor, lienor or mortgagor to pay reasonable attorney fees incurred by the creditor, obligee or lienholder in the event of default, shall be enforceable, provided, however, such fees shall only be allowed to the extent actually paid or agreed to be paid, and shall not be allowed to a salaried employe of such creditor, obligor or lienholder.

The Committee Amendment No. 1 to **HB 449** is as follows:

Amend printed copy of **HB 449,** page 1, line 3, by deleting the words "or evidence";

and on page 1, line 4, by deleting the words "or evidence"

HB 580, AN ACT relating to penalty for failure of witness to appear.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 43.990 is amended to read as follows:

(1) Any officer who prevents, attempts to prevent or obstructs an examination by the auditor, under the provisions of paragraph (c) of subsection (2) of KRS 43.050, or of subsection (3) of KRS 43.050, into his official conduct, or the conduct or condition of the office in his charge or with which he is connected, except when the office constitutes a state agency, is guilty of a high misdemeanor, and, upon conviction on indictment in the Franklin Circuit Court, shall be fined five hundred dollars ($500) and removed by the governor. Any person, other than an officer, who prevents, attempts to prevent or obstructs such an examination shall be fined one thousand dollars ($1,000).

(2) If the auditor fails or refuses without good cause to perform the duties imposed upon him by KRS 43.060, he shall be fined not less than two hundred and fifty dollars ($250) nor more than one thousand dollars ($1,000) for each offense.

(3) Any county officer who prevents, attempts to prevent or obstructs an examination by the auditor, under KRS 43.070, into his official conduct, or the conduct or condition of the office in his charge or with which he is connected, is guilty of a high misdemeanor, and shall, upon indictment and conviction in the Franklin Circuit Court, be fined five hundred dollars ($500). Any person, other than a county officer, who prevents, attempts to prevent or obstructs such an examination shall be fined one thousand dollars ($1,000).

(4) Any officer or other person who fails or refuses to permit the access and examination provided for in subsection (1) of KRS 43.080, or who interferes with such examination, shall be fined not less than one hundred dollars ($100), or imprisoned in the county jail for not less than one (1) month nor more than twelve (12) months, or both. Each refusal by an officer shall constitute a separate offense.

(5) Any person who has custody of any papers, books or records of an asylum, prison, institution for the mentally retarded or eleemosynary institution or public works, other than a state agency, that the auditor is authorized to examine under paragraph (c) of subsection (2) of KRS 43.050, under subsection (3) of KRS 43.050, and under subsection (2) of KRS 43.080, who fails or refuses, when called upon by the auditor for that purpose, to permit him to inspect any of such papers, books or records, shall, upon conviction

on indictment in the Franklin Circuit Court, be fined not more than five hundred dollars ($500) and be subject to removal by the governor.

(6) Any person who refuses to be sworn when required by the auditor to be sworn for the purpose mentioned in subsection (3) of KRS 43.080 shall be fined not more than one hundred dollars ($100).

(7) Any witness called by the auditor under subsection (4) of KRS 43.080 who fails, without legal excuse, to attend or testify shall be fined not more than *two hundred and fifty dollars ($250)* [twenty-five dollars ($25.00)].

SB 118, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 522.020 is amended to read as follows:

(1) A public servant is guilty of official misconduct in the first degree when, with intent to obtain or confer a benefit or to injure another person or to deprive another person of a benefit, he knowingly:

(a) Commits an act relating to his office which constitutes an unauthorized exercise of his official functions; or

(b) Refrains from performing a duty imposed upon him by law or clearly inherent in the nature of his office; or

(c) Violates any statute or lawfully adopted rule or regulation relating to his office.

(2) Official misconduct in the first degree is a Class *D felony* [A misdemeanor].

Section 2. KRS 522.030 is amended to read as follows:

(1) A public servant is guilty of official misconduct in the second degree when he knowingly:

(a) Commits an act relating to his office which constitutes an unauthorized exercise of his official functions; or

(b) Refrains from performing a duty imposed upon him by law or clearly inherent in the nature of his office; or

(c) Violates any statute or lawfully adopted rule or regulation relating to his office.

(2) Official misconduct in the second degree is a Class *A* [B] misdemeanor *and prosecution of which must be commenced within five (5) years after the offense is committed.*

SB 119, AN ACT relating to criminal prosecutions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.715 is amended to read as follows:

(1) In the event of the incapacity, refusal without sufficient grounds, inability, conflict of interest of the local prosecutor, or his failure to act in a certain case or cases, the council may authorize, by the vote of no less than five (5) of its members, the attorney general to initiate, intervene, or supersede a local prosecutor for the purpose of prosecuting the criminal business in question of the Commonwealth in that circuit or district after due notice having been given to the local prosecutor.

(2) When the attorney general shall proceed under subsection (1) of this section, he shall petition the circuit court of that circuit to disqualify the county attorney or commonwealth's attorney for good cause shown, when the county attorney or commonwealth's attorney refuses to disqualify himself. The action of the circuit court shall be subject to review according to the Rules of the Supreme Court.

(3) When the attorney general has been authorized to participate in a given case pursuant to subsections (1) and (2) of this section, he may, at his own discretion, direct a commonwealth's attorney or county attorney from another circuit or district to serve as the special prosecutor, who shall be reimbursed for all of his actual expenses.

(4) *The attorney general shall have the duty, within the 48th Judicial Circuit, to prosecute any person who receives compensation from the Treasury of the Commonwealth of Kentucky for all violations of the criminal and penal laws arising out of, involving or in connection with state funds, or the sale or transfer of goods or services by or to the Commonwealth or any of its political subdivisions; and specifically including, but not limited to, all violations set forth in KRS Chapters 521 and 522. Nothing herein shall be construed to change the venue provision presently existing under Kentucky law as of the effective date of this Act.*

(5) Whenever the attorney general shall undertake any of the actions prescribed in this section, he shall be authorized to exercise all powers and perform all duties in respect to such criminal actions or proceedings which the prosecuting attorney would otherwise perform or exercise, including, but not limited to, the authority to sign, file, and present any and all complaints, affidavits, information, presentments, accusations, indictments, subpoenas and processes of any kind, and to appear before all grand juries, courts, or tribunals.

Section 2. KRS 15.725 is amended to read as follows:

(1) The commonwealth's attorney shall attend each circuit court held in his judicial circuit. He shall, *except as provided in Section 1 of this Act,* have the duty to prosecute all violations of the criminal and penal laws which are to be tried in the circuit court in his judicial circuit. In addition, he shall have the primary responsibility within his judicial circuit to present evidence to the grand jury concerning such violations.

(2) The county attorney shall attend the district court in his county and prosecute all violations of criminal and penal laws within the jurisdiction of said district court.

(3) The commonwealth's attorney and county attorneys in a judicial circuit shall cooperate in the enforcement of criminal and penal laws of the Commonwealth. When necessary, the commonwealth's attorney and county attorney shall assist each other in prosecution within their respective courts.

(4) In the event of the absence from a county of all district judges and all circuit judges and all trial commissioners, the circuit clerk in each county may issue criminal warrants prepared by the commonwealth's attorney or county attorney, who shall certify that there is no district judge, circuit judge or trial commissioner within the county.

The Committee on Transportation reported **HB 165** with Committee Amendment attached thereto, **HB 459** with Committee Amendment attached thereto, and **HB 500** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 165, AN ACT relating to the use of streets and highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.345 is amended to read as follows:

(1) No vehicle shall be driven on the left side of the roadway under the following conditions:

(a) When approaching or upon the crest of a grade or a curve in the highway where the operator's view is obstructed within such distance as to create a hazard in the event another vehicle might approach from the opposite direction;

(b) When approaching within one hundred (100) feet of or traversing any intersection or railroad grade crossing;

(c) When the view is obstructed upon approaching within one hundred (100) feet of any bridge, viaduct or tunnel.

(2) The foregoing limitations shall not apply upon a one way *street* [roadway], nor when an obstruction exists making it necessary to drive to the left of the center of the highway; provided, any person so doing shall yield the right of way to all vehicles traveling in the proper direction upon the unobstructed portion of the highway within such distance as to constitute an immediate hazard, nor to the operator of a vehicle turning left into or from an alley, private road or driveway.

(3) No vehicle shall be driven in the left lane of a limited access highway of two (2) lanes or more unless passing or overtaking another vehicle or by the direction of an official traffic control device or police officer.

The Committee Amendment No. 1 to **HB 165** is as follows:

Amend printed copy of **HB 165,** on page 2, line 6, after the word "*vehicle*", by inserting the following language: "*, except when conditions are hazardous to the degree that the left-hand lane must be used,*"

HB 459, AN ACT relating to motor vehicle operator's licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation may, upon receipt of the written recommendation of the court in which any person has been convicted of a traffic violation, thereby causing the suspension or revocation of his operator's license, issue an occupational operator's license.

(2) No court shall recommend an occupational license unless the following evidence is established by the applicant:

(a) The person has demonstrated a need to operate a motor vehicle as an essential part of that person's livelihood, family obligation or both;

(b) The refusal to issue occupational license would result in undue hardship to the person or his family;

(c) The essential purposes for which the person needs an operator's license;

(d) The county or counties wherein the person needs to operate a motor vehicle for an essential purpose; and

(e) The person is currently enrolled or has successfully completed rehabilitative training or aid for those violations which caused the suspension or revocation.

(3) The court shall inform the person or organization providing the training or aid that the holder of the occupational operator's license is required to receive training. In the event the holder of said license does not complete or fails to attend the training program, the person or organization shall immediately inform the department, at which time said occupational operator's license shall be revoked.

(4) Occupational operator's license shall be limited in use to the operation of a motor vehicle for essential purposes as demonstrated by the court and in the county or counties the court has determined as necessary to operate a motor vehicle to accomplish said purposes.

(5) Occupational operator's license shall expire one (1) year from the date of issue and shall not be renewable except that when the suspension or revocation period exceeds one (1) year, the person may reapply to the department upon expiration of the license.

(6) A person shall be eligible for only one (1) occupational operator's license during his lifetime, with the exception that it may be renewed on a continuous basis for the term of revocation or suspension, if such is for a period exceeding one (1) year.

(7) Applicants for an occupational driver's license shall pay to the circuit clerk upon issuance of occupational operator's license a fee of fifty dollars ($50). The clerk shall deposit in the state treasury to the credit of the general fund ten dollars ($10) and forty dollars ($40) shall be credited to a special account within the state road fund and used by the department exclusively for the purposes of driver improvement training.

SECTION 2. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

Any holder of an occupational operator's license who violates the restrictions or conditions of his license or is convicted of an offense which would cause suspension or revocation of a regular operator's license or convicted of an offense which would result in the assessment of three (3) or more points against his driving record shall immediately have his occupational operator's license revoked and shall be fined not less than five hundred dollars ($500) or imprisoned in the county jail for not more than six (6) months or both.

The Committee Amendment No. 1 to **HB 459** is as follows:

Amend printed copy of **HB 459,** on page 1, line 8, after the word "license", by deleting the period and adding a comma and the words "*except to those persons convicted of driving while intoxicated as provided by KRS 186.560 (1)(b) and KRS 189.520.*", in lieu thereof.

HB 500, AN ACT relating to driver's education programs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.560 is amended to read as follows:

(1) The department shall forthwith revoke the license of any operator of a motor vehicle upon receiving record of his conviction of any of the following offenses:

(a) Manslaughter resulting from the operation of a motor vehicle.

(b) Driving a vehicle while under the influence of intoxicating liquor or narcotic drugs.

(c) Perjury or the making of a false affidavit under KRS 186.400 to 186.640 or any law requiring the registration of motor vehicles or regulating their operation on highways.

(d) Any felony in the commission of which a motor vehicle is used.

(e) Conviction or forfeiture of bail upon three (3) charges of reckless driving within the preceding twelve (12) months.

(f) Conviction of driving a motor vehicle involved in an accident and failing to stop and disclose his identity at the scene of the accident.

(g) Conviction of theft of a motor vehicle or any of its parts, including the conviction of any person under the age of eighteen (18) years.

(2) If the person convicted of any offense named in subsection (1) is not the holder of a license, the department shall deny the person so convicted a license for the same period of time as though he had possessed a license which had been revoked. If through an inadvertence the defendant should be issued a license, the department shall forthwith cancel it.

(3) The department upon receiving a record of the conviction of any person upon a charge of operating a motor vehicle while the license of that person is denied or suspended, or revoked, or while his privilege to operate a motor vehicle is withdrawn, shall immediately extend the period of the first denial, suspension, revocation or withdrawal for an additional like period.

(4) The revocation or denial of a license or the withdrawal of the privilege of operating a motor vehicle under this section shall be for a period of six (6) months, except that, if the same person has had one (1) previous conviction of any offense enumerated in subsection (1) of this section, regardless of whether the person's license was revoked because of the previous conviction, the period of the revocation, denial or withdrawal shall be one (1) year; if the person has had more than one (1) previous conviction of the offenses considered collectively as enumerated in subsection (1) of this section, regardless of whether the person's license was revoked for any previous conviction, the period of revocation, denial or withdrawal shall be for not less than two (2) years. Provided, however, the department [may], upon receipt of the written recommendation of the court in which any person has been convicted of violating KRS 189.520 (2), who has had no previous conviction of said offense, that said person's operator's license *shall* not be revoked, restrict said person's operator's license according to such terms and conditions as the secretary in his discretion may require, provided said person has enrolled in such driver's education program as the department *shall* [may] require. In the event said person fails to satisfactorily complete said driver's education program or violates the restrictions on his operator's license, the department shall forthwith revoke said operator's license for a period of six (6) months.

Section 2. KRS 186.565 is amended to read as follows:

(1) Any person who operates a motor vehicle in this state is deemed to have given his consent to a chemical test of his blood, breath, urine or saliva for the purpose of determining the alcoholic content of his blood, if arrested for any offense arising out of acts alleged to have been committed while the person was driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages. The test shall be administered at the direction of a law enforcement officer having reasonable grounds to believe the person to have been driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages. The law enforcement agency by which the officer is employed shall designate which of the aforesaid tests shall be administered, and provide necessary equipment. The state shall provide one breathalizer and simulating unit for each county, paid for by state funds.

(2) Any person who is dead, unconscious or who is otherwise in a condition rendering him incapable of refusal is deemed not to have withdrawn the consent provided in subsection (1) of this section and the test may be given.

(3) If a person under arrest refuses upon the request of a law enforcement officer to submit to a chemical test designated by the law enforcement agency as provided in subsection (1) of this section, the requesting officer shall warn the person of the effect of his refusal to submit to the test. If the person again refuses, none shall be given, but the department of transportation, upon the receipt of a sworn report of the law enforcement officer that he had reasonable grounds to believe the arrested person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages, that the person refused to submit to the test upon the request of the law enforcement officer, and that the person again refused to submit to the test after the law enforcement officer warned him of the effect of his refusal, the department shall immediately serve notice upon said person in writing by mailing the notice to the person by certified or registered mail to the last known residence address of the person or if the address is unknown, to the last known business address of the person to appear before the secretary or his duly authorized agent and show cause why his license to operate a motor vehicle, or if said person is a nonresident his privilege to operate a motor vehicle within this state should not be revoked; or if the person is a resident without a license or permit to operate a motor vehicle in this state why that person should not be denied the issuance of a license or permit. The hearing shall be scheduled as early as practical but not sooner than ten (10) days after the issuance of the notice and at a time and place designated by the secretary.

(4) For the purpose of the hearing, held in accordance with the order to show cause, the secretary may appoint an examiner who shall have the power to preside at the hearing. Upon the hearing the secretary or his duly authorized agent may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a re-examination of the licensee. The scope of the hearing shall cover the issues of whether a law enforcement officer had reasonable grounds to believe

the person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages, whether the person was placed under arrest, and whether he refused to submit to the test upon request of the officer. All testimony at the hearing shall be recorded. The secretary's ruling shall include a statement of the findings of fact, rulings of law and other matters pertinent to the question at issue. The secretary within ten days after the completion of the hearing shall order either: that the person's license to operate a motor vehicle, or, if the person is a nonresident, his privilege to operate a motor vehicle within this state be revoked for a period of not more than six months or if the person is a resident without such license that there should be a denial of issuance of a license for a period of not more than six months; or that no action be taken regarding said person's privilege to operate a motor vehicle. The secretary shall immediately notify the person of his ruling in writing by certified or registered mail. If the person shall fail to attend the show cause hearing without good cause shown the secretary shall forthwith revoke the person's license or privilege to operate a motor vehicle or deny issuance of a permit or operator's license.

(5) If the revocation or determination that there should be a denial of issuance is sustained after the hearing, the person whose license or permit to drive or nonresident operating privilege has been revoked, or to whom a license or permit is denied, under the provisions of this section, may file a petition in the circuit court of the county in which the person resides or in the circuit court of the county in which the alleged offense was committed or in Franklin Circuit Court to review the final order of revocation or denial by the secretary within twenty (20) days after the final order has been issued. The perfected appeal suspends the order of revocation pending a final determination of the review. If the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the appeal was perfected. The department of transportation shall file with its answer a copy of the secretary's ruling and a transcript of evidence. The court's review is limited to whether the secretary's ruling is supported by substantial evidence and whether his action is arbitrary or capricious. An appeal to the Court of Appeals suspends the order of revocation pending a final determination of the review. If the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the appeal was perfected.

(6) When it has been finally determined that a nonresident's privilege to operate a motor vehicle in this state has been revoked, the department shall give information in writing of the action taken to the motor vehicle administrator of the state of the person's residence and of any state in which he has a license. The provisions of this section shall not apply to a person who refuses to submit to a chemical test of his blood, breath, urine or saliva if that person has enrolled in a driver's education program under the terms and conditions of KRS 186.560(4) and rules and regulations adopted thereunder.

(7) Any person who has had no previous conviction for violation of KRS 189.520 and who has refused to submit to a chemical test of his blood, breath, urine, or saliva may apply to a district court of competent jurisdiction for permission to enter a driver's education program as provided pursuant to KRS 186.560. If he is permitted by the court to enter the program he shall be subject to the same terms and conditions as any other person entering the program. The department shall suspend the license for six (6) months of any person participating in such program if he fails to satisfactorily complete such driver's education program.

The Committee on Energy reported **HB 114** with Committee Amendment attached thereto, **HB 430,** and **HB 544** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 114, AN ACT relating to radiation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The department for human resources shall monitor the radiation in discharges into rivers along the Kentucky border from all nuclear power plants located on either side of such rivers for the protection of the health, safety, and welfare of the citizens of the Commonwealth. Monitoring shall be conducted on a continuous basis.

(2) The department shall publish in the newspaper at least one (1) time at the end of each quarter of the year a summary for each nuclear power plant of the number of violations of the effluent standards for radiation for that plant for that quarter. If no violations occur, that fact shall be reported. If violations

do occur the summary shall contain for each violation the difference between the effluent standard and the level of radiation detected and the applicable enforcement activities undertaken by the appropriate federal agency. Publication of these summary reports shall be done in such a manner as to give statewide notice and specific notice in counties in Kentucky bordering such rivers as set forth in KRS 424.120 and 424.180. Such summaries shall be written in such a manner and with such explanation as to be readily interpreted by the public.

(3) If there is evidence that the effluent standards applicable to any nuclear power facility are not being properly and expeditiously enforced, the attorney general shall report such violations to the United States attorney for appropriate action or bring an action of mandamus against the appropriate enforcement agency.

The Committee Amendment No. 1 to **HB 114** is as follows:

Amend printed copy of **HB 114,** page 1, line 3, strike the word "shall" and insert in lieu thereof, "may", and

on page 1, line 8, strike the word "shall" and insert in lieu thereof, "may", and

on page 1, line 10 through page 2, line 4, delete lines 10 through 21, page 1, in their entirety; delete lines 1 through 4, page 2, in their entirety

HB 430, AN ACT relating to municipally owned electrical utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96.690 is amended to read as follows:

(1) Bonds issued pursuant to KRS 96.550 to 96.900 may be issued in one or more series, may bear such date or dates, may mature at such time or times, not exceeding forty (40) years from their respective dates, may be in such denomination or denominations, may be in such form, either coupon or registered, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment, at such place or places, may be sold or hypothecated in such blocks, may be subject to such terms of repurchase or redemption of all or any of said bonds before maturity in such manner and at such price or prices, not exceeding one hundred and five (105) and accrued interest, as may be fixed by the board prior to the sale of the bonds.

(2) The board at any time may issue and sell revenue bonds to finance improvements or issue and sell refunding bonds for the purpose of providing funds for the payment of any outstanding bonds issued in accordance with the provisions of KRS 96.550 to 96.900. Such new bonds shall be issued, sold, and secured in accordance with the provisions of KRS 96.550 to 96.900 for the issuance of the original revenue bonds, except no election shall be necessary or required to ascertain the will of the voters of the city. Should the board find that the bonds originally authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued, subject to the same procedure and conditions as original revenue bonds.

(3) All revenue bonds issued pursuant to the provisions of KRS 96.550 to 96.900 in the hands of bona fide holders shall have all the qualities and incidents of negotiable instruments under the law merchant. *Except as provided in subsection (5) of this section,* all bonds shall be sold to the highest responsible bidder at such time and place as has been fixed by the board in the notice of the sale of said bonds, which notice has been advertised by publication pursuant to KRS chapter 424. The board shall receive written, sealed, competitive bids, which shall be publicly opened and read at the time and place specified in the notice of sale. The board may reject all bids and readvertise. *Notwithstanding any law to the contrary, bonds may be issued bearing interest at such rate or rates and may be sold at a price equal to, less than or greater than the aggregate principal amount of such bonds, as is satisfactory to and acceptable by the board. "Highest responsible bidder" as used in this section means the responsible bidder whose bid generates the lowest net interest costs for the issue* [No revenue bonds shall be sold for less than par, plus accrued interest, and no bonds shall bear interest at a rate in excess of six per cent (6%) per annum, interest payable semiannually].

(4) After revenue bonds have been offered for sale by the board, as in this section provided, if no bid satisfactory or acceptable to the board is received, the board may sell, issue and deliver said bonds to any federal governmental agency *or other responsible purchaser at private sale* upon such terms, not in conflict with the provisions of KRS 96.550 to 96.900, as may be agreed upon between the board and such federal governmental agency *or other responsible purchaser at private sale*; but the *net interest cost paid thereon*

[price paid therefor] shall not be *greater* [less] than *that* [the bid price] received from the highest responsible bidder.

(5) Notwithstanding any law to the contrary, bonds of an issue, or bonds of two or more issues consolidated for the purposes of sale, which equal or exceed ten million dollars ($10,000,000) in the aggregate principal amount may be sold at public sale in compliance with KRS 424.360 or at private sale without compliance with KRS 424.360, and bonds for the purpose of raising funds for the completion of any project for which a previous bond issue, or issues consolidated for the purposes of sale, equaled or exceeded ten million dollars ($10,000,000) in the aggregate principal amount may likewise be sold at such public sale in compliance with KRS 424.360 or such private sale without compliance with KRS 424.360.

HB 544, AN ACT relating to public utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.190 is amended to read as follows:

(1) Whenever any utility files with the appropriate commission any schedule stating new rates, the commission may, upon its own motion, or upon complaint as provided in KRS 278.260, and upon reasonable notice, enter upon a hearing concerning the reasonableness of the new rates.

(2) Pending such hearing and the decision thereon, and after notice to the utility, the commission may, at any time before said schedule becomes effective, suspend the operation of said schedule and defer the use of such rate, charge, classification or service, but not for a longer period than five (5) months beyond the time when it would otherwise go into effect; and after such hearing, either completed before or after the rate, charge, classification or service goes into effect, the commission may make such orders with reference thereto as it deems proper in the matter. If the proceeding has not been concluded and an order made at the expiration of such five (5) months the utility may place the proposed change of rate, charge, classification or service in effect at the end of such period after notifying the commission, in writing, of its intention so to do. Where increased rates or charges are thus made effective, the commission may, by order, require the interested utility or utilities to maintain their records in such manner as will enable them, or the commission, or any of its customers, to determine the amounts to be refunded and to whom due in the event a refund is ordered, and upon completion of the hearing and decision may, by further order, require such utility or utilities to refund to the persons in whose behalf such amounts were paid such portion of such increased rates or charges as by its decision shall be found unreasonable. Provided, however, if the commission, at any time, during said five (5) months' suspension period, finds that an emergency exists or that the company's credit or operations will be materially impaired or damaged by the failure to permit said rates to become effective during said five (5) months' period, said commission may, after any hearing or hearings, permit all or a portion of said rates to become effective under such terms and conditions as the commission may, by order, prescribe.

(3) At any hearing involving the rate or charge sought to be increased, the burden of proof to show that the increased rate or charge is just and reasonable shall be upon the utility and the commission shall give to the hearing and decision of such questions preference over other questions pending before it and decide the same as speedily as possible, and in any event not later than ten (10) months after the filing of such schedules.

(4) *At or prior to the hearing at which proof as set forth in subsection (3) of this section is offered, a telephone utility shall file in written form:*

(a) The expected level of demand for its services;

(b) The construction expenditures and the operating cost required to provide those services; and

(c) The level of revenue to be generated under both existing and proposed rates, as of the end of a twelve (12) month period ending immediately prior to the furthest date to which the proposed rates may be suspended.

Among other things, in rendering its decision, the commission shall make specific findings as to the adequacy of the approved rates in covering the utilities' costs during the period required to be filed by this subsection.

(5) In the event the commission, by order, directs any utility to make a refund, as hereinabove provided, of all or any portion of such increased rates or charges, the utility shall make the same within sixty (60) days after a final determination of the proceeding by an order of the court or commission with or without interest in the discretion of the commission. If the utility fails to make such refund within sixty (60) days after such final determination, any party entitled to such refund may, after ten (10) days' written demand, bring an action therefor in any court of competent jurisdiction of this state, and may recover, in addition to the amount of the refund due, legal interest, court costs and reasonable attorney's fees. No such action

may be maintained unless instituted within one (1) year after such final determination. Any number of persons entitled to such refunds may join in as plaintiffs in a single action and the court shall render a judgment severally for each plaintiff as his interest may appear.

Calendar

HB 499 taken from Orders of the Day and ordered read at length for the second time. Representative B. Richardson moved that it be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 87, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Committee Substitute to **HB 87.** Agreed.

Representative Bendl moved that **HB 87,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 88-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright. Nays 0.

HB 87, by way of Committee Substitute, was passed.

Representative Bendl moved that the vote by which **HB 87** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 60 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved the adoption of **HR 60.**

On the roll call the vote was yeas 64-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Brunette, Cawood, Clark, Clarke, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Gray, Hancock, Head, Hines, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, Lundergan, May, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Weinberg, Wilborn, Williams, Wright. Nays 18-Allen, Caldwell, Craddock, DeMarcus, Deskins, Freibert, Fryman, Haering, Heleringer, Holbrook, Layman, Overstreet, Patrick, Plummer, Rattliff, Schmidt, Turner, Van Horn.

HR 60 was adopted and the title agreed to.

HB 81, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved the adoption of the Committee Substitute to **HB 81.** Agreed.

Representative List moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 81.** Agreed.

Representative List moved that **HB 81,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

HB 81, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative List moved that the vote by which **HB 81,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 151 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richardsmoved that **HB 151** be passed.

On the roll call the vote was yeas 88-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Cawood.

HB 151 was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 151** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 182, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lundergan moved that **HB 182** be passed.

Representative Riner moved the adoption of the Floor Amendment No. 3 to **HB 182.**

On the roll call the vote was yeas 29-Boswell, Bruce, Burnette, Clark, Curd, Dawahare, DeMarcus, Ellington, Farrow, Fryman, Guenthner, Haering, Head, Heleringer, Holloway, Johnson, Kenton, Lewis, Maynard, Overstreet, Patrick, Richards, Riner, Robinson, Stumbo, Turner, Van Horn, White, Wright. Nays 38-Allen, Barrows, Bendl, Blandford, Bronger, Caldwell, Cawood, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Dunn, Freibert, Gray, Hancock, Hines, Holbrook, Isler, Jones, Kidd, LeMaster, List, Little, Lundergan, McBee, Moberly, Pearman, Plummer, Rapier, B. Richardson, Schmidt, Thomas, Weinberg, Wilborn, Williams, Worthington, Yates.

Floor Amendment No. 3 to **HB 182** was rejected.

On the roll call the vote was yeas 24-Barrows, Bendl, Bennett, Bronger, Cawood, Cyrus, DeFalaise, Donnermeyer, Dunn, Heleringer, Isler, Lundergan, Mann, McBee, Moberly, Nett, Pearman, Priddy, Rapier, Romines,Schmidt, Thomason, Wilborn, Yates. Nays 52-Adams, Arnold, Blandford, Blythe, Boswell, Bruce, Burnette, Caldwell, Clapp, Clark, Clarke, Crupper, Curd, Dawahare, DeMarcus, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Holloway, Johnson, Jones, Kenton, Layman, LeMaster, List, May, Maynard, McNutt, O'Brien, Overstreet, Patrick, Rattliff, Richards, Riner, Robinson, Sale, Stone, Stumbo, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright.

HB 182 was defeated.

Representative B. Richardson moved that the vote by which **HB 182** was defeated be reconsidered and said motion be postponed indefinitely.

On the roll call the vote was yeas 37-Adams, Bruce, Burnette, Clapp, Clarke, Curd, Davenport, Dawahare, DeMarcus, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Head, Johnson, Layman, List, Little, Maynard, McKinney, McNutt, O'Brien, Overstreet, Patrick, Rattliff, Richards, Riner, Robinson, Sale, Stone, Tobin, Turner, Van Horn, White, Wright. Nays 37-Arnold, Barrows, Bendl, Bennett, Blythe, Bronger, Burch, Caldwell, Cawood, Cyrus, Donnermeyer, Gray, Guenthner, Hancock, Heleringer, Hines, Isler, Jones, Kenton, LeMaster, Lewis, Lundergan, Mann, McBee, Moberly, Nett, Pearman, Plummer, Priddy, Rapier, Romines, Smith, Stumbo, Thomas, Wilborn, Worthington, Yates.

The motion that the motion that the vote by which **HB 182** was defeated be reconsidered and said motion be postponed indefinitely was rejected.

HB 319, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage.

Representative Yates moved the adoption of the Committee Substitute to **HB 319.** Agreed.

Representative Yates moved that **HB 319,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 64-Adams, Arnold, Bennett, Blair, Blandford, Brinkley, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Holbrook, Isler, Johnson, Kenton, Kidd, LeMaster, Lewis, List, McNutt, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Plummer, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Worthington, Yates. Nays 10-Allen, Blythe, Boswell, Clarke, DeFalaise, Jones, Layman, Mann, Maynard, McBee.

HB 319, by way of Committee Substitute, was passed and the title agreed to.

Representative Yates moved that the vote by which **HB 319,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative LeMaster moved that the rules be suspended to act upon Resolutions and Citations. Agreed.

Representative LeMaster moved the adoption of the following **HR 90:**

HR 90, A RESOLUTION honoring Kyle Macy, Jay Shidler and LaVon Williams.

WHEREAS, Kyle Macy, Jay Shidler and LaVon Williams have distinguished themselves as student athletes at the University of Kentucky and as ambassadors of the Commonwealth; and

WHEREAS, these young men embody the spirit, courage, dedication and self-discipline which symbolizes University of Kentucky basketball; and

WHEREAS, Kyle Macy, Jay Shidler and LaVon Williams have endeared themselves to thousands of "Wildcat" partisans by their exemplary conduct both on and off the court; and

WHEREAS, these players have earned the respect and admiration of opposing players, coaches, and fans throughout the United States; and

WHEREAS, the House of Representatives wishes to express its appreciation to Kyle Macy, Jay Shidler and LaVon Williams for the many hours of exciting entertainment which they have given to the citizens of Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Kyle Macy, Jay Shidler and LaVon Williams be commended for their outstanding contributions as student athletes to the University of Kentucky and for the enjoyment which they have given the people of the Commonwealth.

Section 2. That Kyle Macy, Jay Shidler, LaVon Williams and Coach Joe B. Hall be invited to appear before the House of Representatives on Tuesday, March 4, 1980.

Section 3. That Tuesday, March 4, 1980 be declared as Kyle Macy, Jay Shidler and LaVon Williams Day throughout Kentucky.

Section 4. That when the House of Representatives adjourns this day, March 4, 1980, it does so in honor of Kyle Macy, Jay Shidler and LaVon Williams.

On the roll call the vote was yeas 94-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HR 90 was adopted.

Representative LeMaster moved that the rules be suspended to allow the privilege of the floor to Coach Joe B. Hall, Kyle Macy, and Jay Shidler. Agreed.

Representative LeMaster moved the adoption of the following Legislative Citation No. 38:

The House of Representatives of the Commonwealth of Kentucky hereby salutes the University of Kentucky Wildcat Basketball Team and your coach, Mr. Joe B. Hall and staff for the outstanding achievement of winning the 1979-80 Southeastern Conference Championship. With a combination of seasoned veterans and talented freshmen, you have proven that great success can be attached through dedication, personal sacrifice, perseverance and a spirit of cooperation. We especially honor the seniors Kyle Macy, LeVon Williams and Jay Shidler, who have distinguished themselves and the University, not only by their performance on the basketball court, but by the leadership qualities they have displayed throughout their career. To Coach Hall, Staff and Players, we extend our very best wishes for success in the pursuit of your present goal of winning the NCAA Championship. (Sponsored by Representative Wright)

Agreed.

Representative LeMaster moved the adoption of the following Legislative Citation No. 39:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Coach Joe B. Hall for another outstanding season in your eighth year as head coach of the University of Kentucky Wildcats. This year's team is typical of your teams as evidenced by the strong finish, demonstrating again your unique ability to mold a group of youngsters and veterans into a solid unit capable of performing at top efficiency at the season's end. This body extends to you our best wishes for the success of the Wildcats in the NCAA Tournament and continued success to you as Head Coach. (Sponsored by Representative Wright)

Agreed.

Representative LeMaster moved the adoption of the following Legislative Citation No. 40:

The House of Representatives of the Commonwealth of Kentucky hereby extends to Jay Shidler our sincere appreciation for the contribution you have made to the success of the University of Kentucky basketball program for the past four years. From the night your long "bombs" buried Indiana at Bloomington in your freshman year to your role as the game's outstanding sixth man in your senior year, you have thrilled and excited Kentucky basketball fans throughout the nation. While you have often been plagued with physical misfortunes, nothing has ever dampened your spirit and enthusiasm - qualities which have endeared you to all of us. Our very best wishes to you for happiness and success in the future. (Sponsored by Representative Wright)

Agreed.

Representative LeMaster moved the adoption of the Legislative Citation No. 41:

The House of Representatives of the Commonwealth of Kentucky hereby expresses our sincere thanks and appreciation to LaVon Williams for your outstanding contribution to the success of the University of Kentucky Basketball program during the past four years. Perhaps no other player, past or present, better typifies the qualities of leadership, cooperation, dedication and perseverance. You have given basketball fans in Kentucky and throughout the nation many thrilling performances to remember. You have the very best wishes of this body for continued success and happiness in the future. (Sponsored by Representative Wright)

Agreed.

Representative LeMaster moved the adoption of the following Legislative Citation No. 42:

The House of Representatives of the Commonwealth of Kentucky hereby offers our sincere congratulations to Kyle Macy as you approach the close of a brilliant basketball career at the University of Kentucky. You will soon join the ranks of many former great All-Americans. From your sophomore season when you were the catalyst which brought Kentucky its fifth NCAA Championship to your senior season as SEC player of the year, your conduct both on and off the court has been an inspiration to thousands of young boys and girls in Kentucky and throughout the nation. Your dedication, your leadership and your consistently outstanding performances during the past three years have thrilled not only Kentucky basketball supporters but fans every where. Please accept our sincere best wishes for your continued success as you enter professional basketball and in all your future endeavors. (Sponsored by Representative Wright)

Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 210, HB 211,** and **HB 382** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day (continued)

HB 265, as amended by Floor Amendment No. 1, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Isler moved the adoption of the Floor Amendment No. 2 to **HB 265.** Agreed.

Representative Kidd moved that a call of the roll be taken on the adoption of the Floor Amendment No. 2 to **HB 265.** Agreed.

On the roll call the vote was yeas 27-Allen, Blythe, Brown, Bruce, Crupper, Curd, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Ellington, Fryman, Gray, Head, Isler, Lewis, Little, Maynard, McBee, Robinson, Sale, Stone, Stumbo, Van Horn, Weinberg, White. Nays 4-Bendl, Freibert, Haering, Kidd.

Floor Amendment No. 2 to **HB 265** was adopted.

Representative Kidd moved the adoption of the Floor Amendment No. 3 to **HB 265.**

On the roll call the vote was yeas 72-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Hines, Holloway, Isler, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, McBee, McNutt, Moberly, Overstreet, Pearman, Plummer, Priddy, Rapier, Richards, P. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 1-Holbrook.

Floor Amendment No. 3 to **HB 265** was adopted.

Representative Isler moved that **HB 265,** as amended, be passed.

Representative Kidd moved that **HB 265** be laid on the table.

On the roll call the vote was yeas 19-Blair, Burch, Burnette, Clark, Deskins, Freibert, Guenthner, Hancock, Head, Hines, Kidd, Layman, Lewis, O'Brien, Overstreet, Pearman, Riner, Thomas, Williams. Nays 50-Adams, Allen, Arnold, Bennett, Blandford, Blythe, Brinkley, Bronger, Brown, Caldwell, Cawood, Clapp, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Haering, Holloway, Isler, Kenton, Little, Lundergan, May, Maynard, McBee, McKinney, Patrick, Plummer, Rapier, Rattliff, Richards, B. Richardson, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Wright.

The motion that **HB 265** be laid on the table was rejected.

Representative Bendl moved that **HB 265,** as amended, be laid on the Clerk's desk.

Representative Blythe moved the adoption of the Previous Question on **HB 265.**

On the roll call the vote was yeas 21-Allen, Bennett, Blandford, Blythe, Boswell, Brown, Crupper, DeMarcus, Fryman, Gray, Isler, Maynard, McBee, Patrick, Pearman, Plummer, Richards, Robinson, Sale, Thomas, Van Horn. Nays 40-Adams, Arnold, Bendl, Brinkley, Bruce, Burch, Caldwell, Cawood, Clark, Curd, Davenport, Dawahare, Deskins, Farrow, Foster, Freibert, Guenthner, Haering, Hancock, Kenton, Kidd, LeMaster, Lewis, List, Little, Mann, May, McKinney, O'Brien, Overstreet, Rapier, Riner, Romines, Stone, Stumbo, Thomason, Tobin, Turner, Weinberg, Wright.

The motion that the Previous Question be adopted on **HB 265** was rejected.

On the roll call the vote was yeas 40-Adams, Arnold, Barrows, Bendl, Blair, Blandford, Boswell, Bronger, Burnette, Caldwell, Clark, Clarke, Craddock, Curd, DeFalaise, Deskins, Dunn, Freibert, Guenthner, Hancock, Head, Hines, Kidd, LeMaster, Lewis, List, McNutt, Moberly, O'Brien, Patrick, Pearman, Plummer, Priddy, Rapier, Riner, Stumbo, Thomason, Tobin, Turner, Weinberg. Nays 35-Allen, Bennett, Blythe, Brown, Bruce, Burch, Cawood, Clapp, Crupper, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Farrow, Foster, Fryman, Gray, Haering, Holloway, Isler, Little, May, Maynard, McBee, McKinney, Morris, Overstreet, Richards, Robinson, Schmidt, Smith, Stone, Van Horn, Wright.

The motion that **HB 265** be laid on the Clerk's desk was adopted.

HB 330, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved the adoption of the Committee Amendment No. 1 to **HB 330.** Agreed.

Representative Pearman moved that **HB 330,** as amended, be passed.

On the roll call the vote was yeas 84-Adams, Allen, Arnold, Barrows, Bendl, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holloway, Jones, Layman, LeMaster, Lewis, List, Little, Mann, May, Maynard, McBee, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 330, as amended, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 330,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 370 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Tobin moved that **HB 370** be passed.

On the roll call the vote was yeas 67-Arnold, Barrows, Bendl, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Guenthner, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, LeMaster, Lewis, Little, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, O'Brien, Overstreet, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams, Worthington, Yates. Nays 17-Allen, Bennett, Blythe, Dawahare, DeMarcus, Dunn, Fryman, Gray, Haering, Layman, Maynard, Patrick, Pearman, Plummer, Romines, Turner, Wright.

HB 370 was passed and the title agreed to.

Representative Tobin moved that the vote by which **HB 370** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 416, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Committee Substitute to **HB 416.** Agreed.

The Speaker resumed the Chair.

Representative Priddy moved that **HB 416,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 84-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Mann, May, McBee, McKinney, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 1-DeMarcus.

HB 416, by way of Committee Substitute, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 416,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 436 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Crupper moved that **HB 436** be passed.

On the roll call the vote was yeas 88-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 2-Blythe, Hancock.

HB 436 was passed and the title agreed to.

Representative Crupper moved that the vote by which **HB 436** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 467 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved that **HB 467** be passed.

On the roll call the vote was yeas 88-Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Reynolds, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 1-Cyrus.

HB 467 was passed and the title agreed to.

Representative List moved that the vote by which **HB 467** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 42, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved the adoption of the Floor Amendment No. 1 to **HCR 42.** Agreed.

Representative Weinberg moved that **HCR 42,** as amended, be passed.

On the roll call the vote was yeas 80-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Head, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 7-Allen, Layman, Lewis, Patrick, Rattliff, Schmidt, Stumbo.

HCR 42, as amended, was passed and the title agreed to.

Representative Weinberg moved that the vote by which **HCR 42,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 49 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved the adoption of **HR 49.**

On the roll call the vote was yeas 55-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Foster, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Isler, Jones, Kenton, Kidd, LeMaster, Lundergan, Mann, May, Maynard, McNutt, Moberly, Morris, Nett, O'Brien, Pearman, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Romines, Sale, Stone, Thomason, Tobin, Van Horn, Weinberg, Williams, Yates. Nays 14-Allen, Caldwell, Cawood, Deskins, Holbrook, Layman, Lewis, Overstreet, Patrick, Plummer, Stumbo, Turner, Wilborn, Worthington.

HR 49 was adopted.

HB 48, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wilborn moved the adoption of the Committee Substitute to **HB 48.** Agreed.

Representative Wilborn moved that **HB 48,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 0.

HB 48, by way of Committee Substitute, was passed and the title agreed to.

Representative Wilborn moved that the vote by which **HB 48,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 400 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 400** be passed.

On the roll call the vote was yeas 88-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 0.

HB 400 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 400** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 432 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HB 432** be passed.

On the roll call the vote was yeas 78-Adams, Arnold, Barrows, Bendl, Blair, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 7-Allen, DeFalaise, Fryman, Layman, Overstreet, Tobin, Turner.

HB 432 was passed and the title agreed to.

Representative Thomas moved that the vote by which **HB 432** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 433 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stone moved that **HB 433** be passed.

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 0.

HB 433 was passed and the title agreed to.

Representative Stone moved that the vote by which **HB 433** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 547 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved that **HB 547** be passed.

On the roll call the vote was yeas 77-Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Jones, Kenton, Kidd, Lewis, Little, Lundergan, May, Maynard, McKinney, Nett, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 8-Adams, Clarke, Holbrook, Layman, List, Mann, McBee, Morris.

HB 547 was passed and the title agreed to.

Representative Farrow moved that the vote by which **HB 547** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 568 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Crupper moved that **HB 568** be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Jones, Kenton, Kidd, Layman, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 0.

HB 568 was passed and the title agreed to.

Representative Crupper moved that the vote by which **HB 568** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 604 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adams moved that **HB 604** be passed.

On the roll call the vote was yeas 83-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn. Nays 1-Tobin.

HB 604 was passed and the title agreed to.

Representative Adams moved that the vote by which **HB 604** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 53, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cawood moved the adoption of the Floor Amendment No. 1 to **SB 53.** Agreed.

Representative Cawood moved that **SB 53,** as amended, be passed.

On the roll call the vote was yeas 78-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Jones, Kenton, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Worthington, Yates. Nays 8-Allen, Caldwell, Clapp, DeFalaise, Ellington, Freibert, Haering, List.

SB 53, as amended, was passed and the title agreed to.

Representative Cawood moved that the vote by which **SB 53,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Speaker Pro Tempore Hancock presiding.

Motions, Petitions, and Communications

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 3 to **HB 415,** by Representative Riner, is as follows:

Amend printed copy of **HB 415,** page 2, line 1, by placing a bracket before "The"; and on page 2, line 2, by placing a bracket after "arrest" and by striking through the words between the brackets.

Floor Amendment No. 1 to **HB 472,** by Representative Clapp, is as follows:

Amend printed copy of **HB 472,** page 4, line 19, by inserting after line 19 the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 250 IS CREATED TO READ AS FOLLOWS:

This Act shall not apply to dark fire cured or dark air cured tobacco seed."

and on page 4, line 20, by renumbering "SECTION 3." as "SECTION 4.".

Floor Amendment No. 1 to **HB 586,** by Representative Mann, is as follows:

Amend printed copy of **HB 586,** page 3, line 14, after the word "*first*" by deleting the following: "*class, second class, third class*" and inserting in lieu thereof the following: "*four classes*"

Floor Amendment No. 1 to **HB 717,** by Representative Schmidt, is as follows:

Amend printed copy of **HB 717,** page 2, line 12, by inserting the words "*court of justice*" after "to the" and by placing a bracket "[" in front of the word "general"; and

on page 2, line 13, by placing a bracket "]" after the word "commission"; and

on page 2, line 14, by placing a bracket "[" after "annex" and by deleting the words "*including but not limited to*"; and

on page 2, line 15, by deleting the word "*space*"; and

on page 2, line 16, by deleting the word "*thirty-five*" and by deleting the brackets around "ten"; and

on page 2, line 17, by deleting "*(35,000)*" and by deleting the brackets around "(10,000)" and by placing a bracket "]" after "feet," and by inserting "*supreme court*" after "the" and by placing a bracket "[" in front of "general"; and

on page 2, line 18, by placing a bracket "]" after "commission"; and

on page 2, line 25, by inserting "*second*" between "the" and "third"; and

on page 3, line 8, by placing a bracket "[" after "offices,"; and

on page 3, line 9, by placing a bracket "]" after "court,"; and

on page 3, line 12, by inserting "*second,*" between "the" and "third"; and

on page 3, line 13, by inserting "*the court of justice*" between "and" and "shall"; and

on page 3, line 15, by inserting "*it*" after "to" and by placing brackets "[]" around "them".

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 813, by Representatives Barrows and Hancock: AN ACT relating to wills.

HB 814, by Representative Barrows: AN ACT relating to domestic relations.

HB 815, by Representative Smith: AN ACT relating to planning and zoning.

HB 816, by Representatives Bruce and Morris: AN ACT relating to insurance.

HB 817, by Representative Pearman: AN ACT relating to local government.

HB 818, by Representatives Adams, Holbrook, Blythe, and Lundergan: AN ACT relating to petty loan companies.

HB 819, by Representative Donnermeyer: AN ACT relating to public school employes.

HB 820, by Representative Little: AN ACT relating to eminent domain.

HB 821, by Representatives McBee and Donnermeyer: AN ACT relating to airports.

HB 822, by Representative Thomas: AN ACT relating to special local peace officers.

HB 823, by Representative Johnson: AN ACT relating to crimes and punishments.

HB 824, by Representative Johnson: AN ACT relating to motor vehicle operators' licenses.

HB 825, by Representative Kenton: AN ACT relating to property tax billings.

HB 826, by Representatives Crupper and Rapier: AN ACT relating to roads.

HB 827, by Representatives Crupper, B. Richardson, Rapier, Davenport, Van Horn, and P. Richardson: AN ACT relating to unemployment compensation.

HB 828, by Representatives Kenton, LeMaster, List, Jones, Brinkley, and Deskins: AN ACT relating to the Kentucky racing health and welfare fund, inc.

HB 829, by Representatives Nett, LeMaster, Heleringer, and Donnermeyer: AN ACT relating to taxation.

HB 830, by Representatives Cawood and Deskins: AN ACT relating to mining.

HB 831, by Representative Priddy: AN ACT relating to city policemen.

HB 832, by Representatives Blythe and Thomason: AN ACT relating to the legal and medical definition of death.

HB 833, by Representative Tobin: AN ACT relating to insurance.

HB 834, by Representative Tobin: AN ACT relating to insurance.

HJR 92, by Representatives Clarke and Adams: A JOINT RESOLUTION directing the Department for Human Resources to study the feasibility of implementing an integrated casework model in the Commonwealth.

HR 93, by Representative Rattliff: A RESOLUTION honoring the 1980 Lady Tigers Basketball Team of Campbellsville College.

HCR 94, by Representatives McBee, Clapp, Burnette, Curd, Crupper, Dunn, Blandford, Mann, Schmidt, Thomason, Boswell, Bronger, Isler, and Donnermeyer: A CONCURRENT RESOLUTION directing the Legislative Research Commission to appoint a task force to study the thoroughbred racing industry in Kentucky.

HR 95, by Representatives Riner, Cyrus, and Gray: A RESOLUTION to adjourn the House of Representatives in honor and memory of AFL-CIO President George Meany.

Posting of Bills and Resolutions (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Transportation: **HB 393.**

Natural resources and Environment: **HCR 87, HB 701, HB 702, HB 703, HB 704.**

Banking and Insurance: **HB 710, HB 711, HB 712.**

Senate Message

Announcing passage of **SB 125, SB 177, SB 191, SB 206,** and **HB 179.**

Motions, Petitions, and Communications (continued)

Representative Rattliff moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Rattliff moved the adoption of the following **HR 93:**

HR 93, A RESOLUTION honoring the 1980 Lady Tigers Basketball Team of Campbellsville College.

WHEREAS, the development of women's athletic programs has been based upon the widespread growth and popularity of women's basketball; and

WHEREAS, the professional status of women's collegiate basketball has reached the same level of importance and enthusiasm as is found in men's basketball; and

WHEREAS, the 1980 Lady Tigers Basketball Team recently won the Kentucky Division II, Kentucky Women's Intercollegiate Conference Title; and

WHEREAS, Coach Donna Wise and Assistant Coach Debbie Grider were instrumental in guiding the Lady Tigers to this championship title; and

WHEREAS, the Lady Tigers of Campbellsville College will represent Kentucky in the regional tournament, which is to be held at Radford College in Radford, Virginia;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House honors and commends the Lady Tigers, Coach Donna Wise and Assistant Coach Debbie Grider upon winning their basketball conference title and hails them as exemplary representatives of the Commonwealth.

Section 2. That the Clerk of the House be directed to forward a copy of this resolution to the President of Campbellsville College, Coaches Donna Wise and Debbie Grider, as well as the members of the 1980 Lady Tigers Basketball Team.

HR 93 was adopted by voice vote.

Representative Richards moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Richards moved the adoption of the following **HR 85:**

HR 85, A RESOLUTION adjourning in honor of the 1980 Murray State University Basketball Racers and the Western Kentucky University Basketball Hilltoppers, co-champions of the Ohio Valley Conference Title.

WHEREAS, Murray State University and Western Kentucky University ended the regular basketball season with identical records of 10-2 in conference play; and

WHEREAS, Murray and Western achieved the best records in the Ohio Valley Conference, resulting in these two great schools sharing the O.V.C. crown; and

WHEREAS, Murray and Western are the teams which are favored to reach the finals of the O.V.C. Tournament and once again battle for a berth in the 1980 NCAA Tournament; and

WHEREAS, if the runner-up of the O.V.C. Tournament is either the Murray Racers or the Western Hilltoppers, that team will probably receive an invitation to the National Invitational Tournament to be held in New York;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body commends the members and the coaching staff of both Murray and Western and hails these fine young athletes to be exemplary representatives of the Commonwealth.

Section 2. That when the House does adjourn this day, Monday, March 3, 1980, it does so in honor of the 1980 Murray State University Basketball Racers and the Western Kentucky University Basketball Hilltoppers.

Section 3. That the Clerk of the House be directed to transmit a copy of this resolution to the members of the Murray Basketball Racers and the Western Basketball Hilltoppers.

HR 85 was adopted by voice vote.

Representative Heleringer moved that he be recorded as voting "yea" on **HB 416.** Agreed.

Representative Riner moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Riner moved the adoption of the following **HR 95:**

HR 95, A RESOLUTION to adjourn the House of Representatives in honor and memory of AFL-CIO President George Meany.

WHEREAS, George Meany stepped down as President of the America Federation of Labor and Congress of Industrial Organizations (AFL-CIO) after many years of dedicated service to that organization on November 15, 1979; and

WHEREAS, George Meany died on January 10, 1980; and

WHEREAS, George Meany exhibited untiring efforts on behalf of the working men and women employed in United States industry for the past thirty (30) years; and

WHEREAS, his courageous stands against the international spread of communism helped bring hope to the oppressed people of the world currently living under communist governments;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That when the House adjourns this day, Tuesday, March 4, 1980, it does so in honor and memory of George Meany.

Section 2. That the Clerk of the House be directed to forward a copy of this resolution to the family of George Meany.

HR 95 was adopted by voice vote.

Representative Blythe moved that **HB 265** be taken from the Clerk's desk and placed first in the Orders of the Day, March 5, 1980.

On the roll call the vote was yeas 32-Arnold, Bendl, Bennett, Blythe, Bronger, Cawood, Craddock, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Heleringer, Holloway, Isler, Lewis, Lundergan, Mann, May, McBee, Noe, Plummer, Richards, Stone, Thomason, Turner, Van Horn, Williams. Nays 3-Caldwell, Hancock, Weinberg.

The motion that **HB 265** be taken from the Clerk's desk and placed first in the Orders of the Day, March 5, 1980, was adopted.

Representative Lundergan moved that he be recorded as voting "yea" on **HB 416.** Agreed.

The following meetings were announced:

Judiciary: Special meeting, March 5, upon adjournment, Room 9.

Labor and Industry: Special Meeting, 30 minutes after adjournment, Room 9.

Energy: Wednesday, 1:30 p.m., Room 9.

Health and Welfare: Wednesday, 8:00 a.m.

Natural Resources and Environment: Wednesday, 15 minutes upon adjournment, Room A.

Counties and Special Districts: Wednesday, 8:00 a.m., Room 316.

Subcommittee on Surface Mining: Wednesday, 10:00 a.m., Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Wednesday, March 5, 1980.

On the roll call the vote was yeas 51-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Boswell, Brinkley, Bronger, Brown, Cawood, Clark, Craddock, Crupper, Cyrus, Davenport, DeMarcus, Donnermeyer, Farrow, Freibert, Head, Hines, Holbrook, Holloway, Isler, Kidd, Little, Mann, May, Maynard, McBee, Moberly, Noe, O'Brien, Pearman, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Smith Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, White, Wilborn. Nays 3-Deskins, LeMasters, Robinson.

The motion to adjourn was adopted.

WEDNESDAY, MARCH 5, 1980

THIRTY-SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Joseph Fair, President "Way of Kentucky", Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of March 4, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 835, by Representative Deskins and Dawahare: AN ACT relating to strip mining.

HB 836, by Representative Donnermeyer: AN ACT relating to the wages and hours of employes.

HB 837, by Representatives Boswell and Thomason: AN ACT relating to the allocation and expenditure of coal severance or processing taxes.

HB 838, by Representatives Brinkley, Bruce, Morris, Adams, Allen, Arnold, Burnette, Clapp, Crupper, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Gray, Hancock, Head, Holbrook, Holloway, Johnson, Jones, Kenton, May, McNutt, Overstreet, Rapier, Richards, B. Richardson, Robinson, Stone, Stumbo, Tobin, Turner, Worthington, and Wright: AN ACT relating to gasohol production.

HB 839, by Representative Schmidt: AN ACT relating to credit unions.

HB 840, by Representative Mann: AN ACT relating to alcoholic beverages.

HB 841, by Representative Mann: AN ACT relating to the standardbred development fund.

HB 842, by Representative Mann: AN ACT relating to nursing.

HB 843, by Representative Mann: AN ACT relating to liens.

HB 844, by Representative Mann: AN ACT relating to occupational and professional licensing board members.

HB 845, by Representative Mann: AN ACT relating to the sale of motor vehicles.

HB 846, by Representative Burnette: AN ACT relating to the Great River Road.

HB 847, by Representative Stone: AN ACT relating to the railroad commission.

HB 848, by Representative Mann: AN ACT relating to the developmentally disabled.

HB 849, by Representative Van Horn: AN ACT relating to the University of Kentucky Medical Center.

HB 850, by Representative B. Richardson: AN ACT relating to insurance.

HB 851, by Representatives Heleringer, Maynard, and O'Brien: AN ACT relating to housing.

HB 852, by Representative Brinkley: AN ACT relating to mining.

HB 853, by Representative Brinkley: AN ACT relating to mining.

HB 854, by Representative Weinberg: AN ACT relating to an overweight motor vehicles special energy road fund.

HB 855, by Representatives Stone and Brinkley: AN ACT relating to emergency medical technicians.

HB 856, by Representative Bennett: AN ACT relating to constables.

HB 857, by Representatives Kenton, Allen, Arnold, Bendl, Bennett, Brinkley, Bruce, Deskins, Donnermeyer, Hancock, Jones, LeMaster, List, Little, Mann, May, Rattliff, Richards, B. Richardson, Schmidt, and Thomas: AN ACT relating to general appropriations to the Legislative Research Commission for the operation, maintenance, support, and functioning of the Legislative Branch of government and its agencies of the Commonwealth of Kentucky and to the Board of Ethics.

HB 858, by Representatives Nett, Blythe, and Bendl: AN ACT relating to the promotion of the arts and related activities and the raising of revenue therefor.

HB 859, by Representatives Nett, Romines, Dunn, Clark, Maynard, Hines, Guenthner, Haering, Williams, Yates, Heleringer, Priddy, Holloway, and Blythe: AN ACT relating to libraries.

HB 860, by Representatives Nett, Bronger, Dunn, and Clark: AN ACT relating to motor vehicle registration.

HB 861, by Representatives Nett, Dunn, Priddy, and Clark: AN ACT relating to recording of deeds, mortgages and other instruments.

HB 862, by Representative Romines: AN ACT relating to county employees.

HB 863, by Representatives O'Brien, Holloway, Bendl, and Cawood: AN ACT relating to hazardous materials.

HB 864, by Representatives O'Brien and Holloway: AN ACT relating to unemployment insurance.

HB 865, by Representative Donnermeyer: AN ACT relating to publication of legal notice.

HR 96, by Representatives Lundergan, LeMaster, Van Horn, Freibert, List, and Kenton: A RESOLUTION requesting a study of the need for and feasibility of establishing an emergency medical center in northeast Fayette County.

Report on Enrolled Bills

HB 210, HB 211, and **HB 382** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 793, HB 795, HB 825, HB 829, HR 91.**

Banking and Insurance: **HB 802, HB 816, HB 818, HB 833, HB 834, SB 191, SB 206.**

Business Organizations and Professions: **HB 789, HB 801, HB 803, HR 94.**

Cities: **HB 831.**

Counties and Special Districts: **HB 804, HB 815, HB 817.**

Education: **HB 808, HB 819.**

Elections and Constitutional Amendments: **HB 800, SB 125.**

Health and Welfare: **HB 791, HB 792, HR 92, SR 43.**

Judiciary: **HB 790, HB 798, HB 807, HB 810, HB 812, HB 813, HB 814, HB 820, HB 823, HB 832, SB 177.**

Labor and Industry: **HB 827.**

Natural Resources and Environment: **HB 809, HB 830.**

State Government: **HB 794, HB 796, HB 805, HB 811, HB 822, HB 828.**

Transportation: **HB 797, HB 799, HB 806, HB 821, HB 824, HB 826.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Judiciary: **HB 66, HB 249, HB 429, HB 521, HB 626, HB 668, HB 676, HB 783, SB 17, SB 166.**

Business Organizations and Professions: **HB 737, HB 720, HB 588, HB 738.**

Report of Committees

The Committee on Rules reported **HB 106, HB 178, HB 295, HB 333, HB 418, HB 499,** and **HJR 40** have been posted for passage in Orders of the Day, March 6, 1980.

The Committee on Education reported **SB 146** with Committee Amendment attached thereto, **SB 142, HJR 65, HB 550, HB 470, HB 469, HB 450** with Committee Amendment attached thereto, and **HB 552** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 146, AN ACT relating to boards of education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.180 is amended to read as follows:
(1) No person shall be eligible to membership on a board of education:
(a) Unless he has attained the age of twenty-four (24) years; and
(b) Unless he has been a citizen of Kentucky for at least three (3) years preceding his election and is a voter of the district for which he is elected; and
(c) Unless he has completed at least the eighth grade in the common schools as shown by the records of the school in which the eighth grade was completed or by affidavits of the teacher or teachers under whom the work was completed, or unless he has the equivalent of an eighth grade education as determined by an examination held under rules and regulations adopted by the state board for elementary and secondary education; or
(d) Who holds a state office requiring the constitutional oath or is a member of the general assembly; or
(e) Who holds or discharges the duties of any civil or political office, deputyship or agency under the city or county of his residence; or
(f) Who, at the time of his election, is directly or indirectly interested in the sale to the board of books, stationery or any other property, materials, supplies, equipment or services for which school funds are expended; or
(g) Who has been removed from membership on a board of education for cause.
(2) If, after the election of any member of the board, he becomes interested in any contract with or claims against the board, of the kind mentioned in paragraph (f) of subsection (1) of this section, or becomes a candidate for nomination or election to any office or agency the holding and the discharging of

the duties of which would have rendered him ineligible before election, or if he moves his residence from the district for which he was chosen, or if he does anything that would render him ineligible for re-election, he shall be subject to removal from office pursuant to KRS 415.050 and 415.060.

(3) A board member shall be eligible for re-election unless he becomes disqualified.

(4) No member of a board of education shall *cast the deciding* vote regarding the appointment or employment in any capacity of any person related to him as father, mother, brother, sister, husband, wife, son, daughter, nephew, niece, aunt, uncle, son-in-law, daughter-in-law or first cousin, and the majority vote of the remainder of the board is required in case of appointment or employment of such person.

The Committee Amendment No. 1 to **SB 146** is as follows:

Amend printed copy of **SB 146,** page 2, line 23, after cost, insert "*a*"

and on page 2, line 24, by deleting the words "the deciding"

and on page 3, line 2, place brackets around the word [and], and insert in lieu thereof the words "*except when*"

and on page 3, line 3, place brackets around words [required in case of] and insert in lieu thereof "*in the affirmative regarding the*"

SB 142, AN ACT relating to classified employes of the common schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

(1) When a physical examination is required as a condition of employment of classified personnel, excluding bus drivers, the examination shall be provided at no cost to the employe by the board. The examination shall be provided by the county health department if appropriate health department personnel are available.

(2) If employe elects to be examined by private physician the cost of examination shall be borne by employe.

(3) Each examination shall include a test for tuberculosis and shall be conducted prior to August 1 of the employable year in which the person is employed.

SECTION 2. Whereas, the August 1 deadline would create a hardship the first year under the normal effective date, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HJR 65, A JOINT RESOLUTION directing the department of education to study the salary schedule of employes in vocational education.

WHEREAS, many vacancies have and do exist for vocational education teaching positions in Kentucky's area vocational education centers and state vocational-technical schools; and

WHEREAS, vocational education must compete with business and industry's higher salaries and benefits to recruit highly skilled personnel; and

WHEREAS, the state employes' pay schedule has not always adequately recognized work experience, teaching experience, and educational level beyond the minimum qualifications; and

WHEREAS, certain classified positions are among the lowest paid positions in the educational field; and

WHEREAS, this inability to be competitive with either local school districts and/or business and industry salaries has made recruitment of competent personnel, both certified and classified, more difficult and has resulted in long-term vacancies in critical positions;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Kentucky Department of Education shall conduct a study of the salary schedule of state employes in education, including both certified and classified.

Section 2. The study shall include a comparison of the salaries paid to state employes in education and salaries paid to comparable employes in the private sector and in the public school system. The study shall also include an analysis of the percent of salary increase for the previous five year period for classified employes as compared to the percent increase for certified employes.

Section 3. The study shall include a proposed salary structure, developed jointly by the Kentucky department of education and the Kentucky department of personnel, that will provide a salary schedule for certified and classified state education personnel equal to at least the hourly rate of pay received by public school employes with comparable qualifications and experience.

Section 4. The study shall include a proposed plan for implementing the salary schedule.

Section 5. The study shall be completed and reported to the Legislative Research Commission and the Interim Joint Committee on Education no later than August 1, 1981.

HB 550, AN ACT relating to the common school foundation program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.320 is amended to read as follows:

As used in KRS 157.310 to 157.440, unless the context otherwise requires:

(1) "Average daily attendance" means the aggregate days attended by pupils in a public school, divided by the actual number of days the school is in session;

(2) "Board" means the board of education of any county or independent school district;

(3) "Classroom unit" means the unit for measuring educational needs for foundation program purposes;

(4) "District" means any school district as defined by law;

(5) "Elementary school" means a school consisting of grades kindergarten through eight, or any appropriate combination of grades within this range, as determined by the plan of organization for schools authorized by the district board;

(6) "Foundation program" means the level of educational services and facilities, as defined in KRS 157.310 to 157.440, which is to be provided in each district from the public school foundation program fund;

(7) "Isolated school" means an elementary or secondary school which had fewer than one hundred pupils in average daily attendance during the previous school year and which meets such standards for isolation as shall be prescribed by the regulations of the state board for elementary and secondary education, based on factors to include distance by the nearest passable road from another appropriate school center which is able to receive the pupils, and the time for transportation necessary to attend another school;

(8) "Public school foundation program fund" means the fund created by KRS 157.330 for use in financing education in public elementary and secondary schools;

(9) "Kentucky administrative regulations of the state board for elementary and secondary education" means those regulations which the state board for elementary and secondary education may adopt upon the recommendation and with the advice of the superintendent of public instruction. The superintendent of public instruction shall recommend for adoption by the state board for elementary and secondary education such rules and regulations as he deems necessary for carrying out the purposes of KRS 157.310 to 157.440;

(10) "Salary schedule summary" means the summary of all salaries paid teachers by the board from the single salary schedule. Teachers shall be grouped by training and experience and by source of funds;

(11) "Secondary school" means a school consisting of grades seven through twelve, or any appropriate combination of grades within this range as determined by the plan of organization for schools authorized by the district board. When grades seven through nine or ten are organized separately as a junior high school, or grades ten through twelve are organized separately as a senior high school and are conducted in separate school plant facilities, each shall be considered a separate secondary school for the purposes of KRS 157.310 to 157.440;

(12) "Single salary schedule" means a schedule adopted by a local board from which all teachers are paid for one hundred eighty-five (185) days and is based on training, [and] experience *and such other factors as the state board for elementary and secondary education may approve* and which does not discriminate between salaries paid elementary and secondary teachers;

(13) "Teacher" means any regular or special teacher, principal, supervisor, superintendent, assistant superintendent, librarian, director of pupil personnel, or other member of the teaching or professional staff engaged in the service of the public elementary and secondary school for whom certification is required as a condition of employment;

(14) "Percentage of attendance" means the aggregate days attended by pupils in a public school for the school year divided by the aggregate days membership of pupils in a public school for the school year.

HB 470, AN ACT relating to school employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

(1) All classified personnel employed by a local school district shall receive an annual percentage salary increase that is not less than the percent of salary increase received by the certified personnel in that district.

(2) The minimum percent of increase shall be computed on the total salaries of all certified personnel in that district.

HB 469, AN ACT relating to school employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.291 is amended to read as follows:

(1) All [certified] school employes *working on a continuing, regular basis* [holding a limited or continuing service contract, as defined in KRS 161.720,] shall be paid regularly, on dates determined by the employing board of education, during the school year. The gross salary received on each pay date will be an amount equal to the [certified] school employe's annual salary divided by the number of pay dates. Said salary amounts shall be paid on the prescribed pay dates without deduction for days on which schools were closed.

(2) Gross salary payments under subsection (1) of this section need not, but may, include pay for extra duties or services. Payment for such extra duties or services must be paid pursuant to a payment plan adopted by the board of education prior to the beginning of the school year.

(3) Payments made by the board of education under the authority of this section are deemed to be for services rendered and for the benefit of the common schools; the payments do not affect the eligibility of any school system to participate in the foundation program as established in KRS Chapter 157. Nor shall any individual board member or administrator be held liable where additional payments for such service become necessary. Provided, however, that nothing in this section authorizes or requires the payment of salaries to [certified] personnel when schools are closed as a result of a strike or other work stoppage or when schools are open and [certified] personnel fail to render services. No part of this section shall be law if any part is declared unconstitutional.

HB 450, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.570 is amended to read as follows:

(1) Each board of education shall appoint a bank or trust company to serve as its depository, and [if its annual receipts from all sources exceed one hundred thousand dollars ($100,000)] it may designate *up to five (5)* [two (2)] depositories. The depository may be designated for a period not to exceed two (2) years, and before entering upon its duties shall agree with the board as to the rate of interest to be paid on average daily or monthly balances.

(2) The depository selected shall, before entering upon its duties, execute bond for the faithful performance of its duties, to be approved by the local board of education and the state board for elementary and secondary education. The bond shall be guaranteed by at least five (5) solvent personal sureties whose solvency must exceed the amount of the bond, or by a surety company authorized to do business in this state, or through the execution of a collateral bond consistent with the general banking laws of the state and the bonding laws applying to the safeguarding of state funds. The penal sum of the depository bond shall be determined by the board of education in accordance with the rules and regulations of the state board for elementary and secondary education. A board of education may enter into an agreement with its depository whereby the premium on a bond guaranteed by a surety company may be paid either by the board or by the depository. If the board pays the premium, the depository shall allow the board not less than two per

cent (2%) interest on its average daily or average monthly balances. All depository bond forms shall be prepared by the superintendent of public instruction and approved by the state board for elementary and secondary education.

(3) The depository shall hold for the board all funds deposited by the treasurer of the board or its tax collector or duly authorized agent, subject to withdrawal by the board at any time, and shall pay all funds so deposited to such person and in such manner as the board directs. The depository shall keep full and complete accounts of all of the board's funds, and make reports to the board or its authorized agents upon request. The depository shall keep all records relating to the transactions and duties of the office and turn them over to the successor of its office along with all school funds in hand. The board of education may at any time require a due and proper audit of the depository's records of the funds of the board by a competent outside agent.

(4) A board of education may designate as its depository the authorized and bonded depository of the governing authority of the territory which the school district embraces. In such cases, the bond of the depository shall be made to cover specifically the safekeeping of the school board's funds, and all conditions set out in this section shall be carried out.

Amend printed copy of **HB 450,** page 1, line 4, delete bracket before "if"

line 6, delete bracket after "$100,000"

line 6, insert brackets around "*up to five (5)*"

line 7, delete brackets before and after "two (2)"

line 7, insert the following language after depositories and before the period *except boards of education of school districts in counties containing cities of the first class may designate up to five (5) depositories*

HB 552, AN ACT relating to gifted and talented education programs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.600 is amended to read as follows:

(1) It is the intention of the general assembly in enacting KRS 158.605 to 158.620 *and Section 5 of this Act* to provide [experimental] programs of instruction for gifted and talented students in the division of program development, bureau of instruction of the department of education.

(2) State direction and implementation of a statewide gifted and talented education program is manifested in the biennial appropriation of funds to finance a particular number of such classroom units. The rate at which gifted and talented units are funded indicates the state's ability to assure a quality educational opportunity for appropriate students.

Section 2. KRS 158.605 is amended to read as follows:

As used in KRS 158.600 to 158.620 *and Section 5 of this Act* unless the context otherwise requires, "gifted and talented children" means [those] children *who possess demonstrated abilities or measured potential that provides evidence of high performance capability* [identified as being capable of high performance to include those who have demonstrated achievement or potential ability] in any of the following areas singly or in combination:

(1) Intellectual ability;
(2) Specific academic aptitude;
(3) Creative or productive thinking;
(4) Leadership ability; *and*
(5) Visual and performing arts[; and
(6) Psychomotor ability].

Gifted and talented children are children who need special educational services in order to realize their potential.

Section 3. KRS 158.610 is amended to read as follows:

(1) It is the intent of the general assembly in enacting this legislation to permit the state board for elementary and secondary education, upon recommendation of the superintendent of public instruction, to authorize [a] local *boards* [board] of education [to submit applications] to *implement programs* [operate an experimental program] for gifted and talented students. [The objective is to encourage experimentation that may result in quality programs for gifted students and a more efficient use of educational resources.]

(2) The state board for elementary and secondary education, upon recommendation of the superintendent of public instruction, shall adopt regulations relating to requirements to be met by local school districts *to implement gifted and talented programs according to the provisions of KRS 158.600 to 158.620 and Section 5 of this Act for their proper administration, including but not limited to, eligibility and admission of pupils, curriculum, class size limitations, teacher qualifications and program evaluation* [when applying for funds to operate an experimental gifted students project.

(3) The state board for elementary and secondary education, upon recommendation by the superintendent of public instruction, shall determine annually which of the applications submitted shall be funded for the following year].

Section 4. KRS 158.620 is amended to read as follows:

(1) No later than ninety (90) days after the end of *each* [the] fiscal year [in which a project was approved and operated], the local school district shall *submit an evaluation* [make a progress] report *of gifted and talented programs* to the state board for elementary and secondary education. [The state superintendent of public instruction shall make, through costs benefit, an effectiveness analysis and evaluation of all gifted and talented experimental programs operating under the provisions of KRS 158.600 to 158.620.]

(2) The state department of education, with approval of the state board for elementary and secondary education, shall supply the following information for the legislative research commission *and the* [,] governor *each year* [and the next regular session of the general assembly]:

(a) A definition for the talented and gifted child appropriate for Kentucky;

(b) A system of reporting *program progress* [including a breakdown of programs instituted under KRS 158.600 to 158.620 by county and congressional district];

(c) Information which evaluates effectiveness of the program; and

(d) A ten (10) year plan for implementing a state-wide program for talented and gifted children *which shall be reviewed and updated each year.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

(1) The department of education shall provide inservice training in the operation of gifted and talented programs provided for in Sections 1 through 6 of this Act for teachers in districts which did not operate experimental programs provided for in KRS 158.600 to 158.620 during the 1978-79 and 1979-80 school years.

(2) Inservice training activities shall be provided prior to the beginning of and during the 1980-81 and 1981-82 school years.

Section 6. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the superintendent of public instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for exceptional children, classroom units for kindergarten, *classroom units for gifted and talented children,* classroom units for superintendents, administrative and special instructional services, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) In allotting classroom units for elementary and secondary schools, one (1) classroom unit shall be included for each twenty-seven (27) pupils in average daily attendance in grades one (1) through twelve (12); provided, however, that one (1) classroom unit shall be included for each isolated one-teacher school with twelve (12) or more pupils in average daily attendance and one (1) unit shall be included for each twenty-five (25) pupils in average daily attendance at all other isolated schools. The allotments of classroom units in this subsection shall be made on the average daily attendance for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions: (a) an average daily attendance of six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 shall be deducted for each vocational unit allotted and (b) an average daily attendance of five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 shall be deducted for each exceptional children's unit allotted. If a local school district through its admission and release committee determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, then the school district shall count this as average daily attendance in a public school the time that such child is in attendance at such private school or agency.

(3) Allotments of classroom units except those allotted in accordance with subsection (4) of this section, shall be increased when the average daily attendance in grades one (1) through twelve (12) in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district in grades one (1) through twelve (12) for the first two (2) months of the previous school year. The total number of classroom units allotted the district shall be increased by the percent of increase.

(4) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the number of classroom units allotted the district, except those

allotted in accordance with subsection (3) of this section, for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(5) In allotting classroom units for vocational education, one (1) classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the state plan of vocational education as approved by the state board for occupational education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach part-time or short unit classes for less than a school day or a school year that meet the regulations of the state plan of vocational education as approved by the state board for occupational education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(6) In allotting classroom units for exceptional children, one (1) classroom unit shall be included upon the employment of each teacher approved to teach such children in accordance with the provisions of law and Kentucky administrative regulations of the state board for elementary and secondary education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(7) (a) In allotting classroom units for administrative and special instructional services, the total number of classroom units allotted in subsections (2), [and] (10) *and (12)* plus subsections (5) and (6) before July 1, 1976 shall be divided by eight (8) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(b) The total number of units allotted under subsection (5) beyond those allotted in the school year 1975-76 times six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 average daily attendance plus the total number of units allotted under subsection (6) beyond those allotted in the school year 1975-76 times five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 average daily attendance shall be divided by two hundred and sixteen (216) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(c) The total of subsection (a) plus subsection (b) shall be the number of classroom units allotted the district for administrative and special instructional services as authorized by Kentucky administrative regulations of the state board for elementary and secondary education.

(8) In allotting classroom units for supervisors of instruction, one-half (½) of a classroom unit shall be allotted each district which is allotted twenty-five (25) through forty-nine and nine-tenths (49.9) classroom units under subsections (2), (5), (6), [and] (10) *and (12)*; one (1) unit shall be allotted eah district which is allotted fifty (50) to one hundred (100) classroom units, one unit shall be allotted for each one hundred (100) classroom units, or major fraction thereof, in districts allotted more than one hundred (100) classroom units under these subsections.

(9) In allotting classroom units for directors of pupil personnel, one (1) classroom unit shall be allotted each district which is allotted thirty-six (36) to one hundred and sixty-five and nine-tenths (165.9) classroom units under subsection (2) and a unit for each additional two hundred and sixty-six (266) classroom units or fraction thereof allotted under subsection (2). For districts having fewer than thirty-six (36) classroom units, a proportionate fraction of a classroom unit shall be allotted.

(10) In allotting classroom units for the kindergarten, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, may allot units for kindergarten. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(11) In allotting classroom units for superintendent, one unit shall be allotted each school district.

(12) In allotting classroom units for gifted and talented childen, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, may allot units for gifted and talented children. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without the approval of the governor.

Section 7. KRS 157.200 is amended to read as follows:

(1) "Exceptional children" means persons under twenty-one (21) years of age who differ in one or more respects from average or normal children in physical, mental, learning, emotional or social characteristics and abilities to such a degree that they need special educational programs or services for them to benefit maximally from the regular or usual facilities or educational programs of the public schools in the districts in which they reside; or, those children who, because of their intellectual or creative abilities or potentialities, require special educational programs or services. These children include, but are not limited to, those children hereafter described in this section as well as the neurologically impaired, visually impaired, hearing impaired and the retarded. The department of education, through regulations endorsed by the state board of education, shall interpret the statutory definitions of exceptionality. An exceptionality is any trait so defined in KRS 157.200 or stipulated in the regulations of the state department of education. Requirements of average daily

attendance for exceptional classes will be regulated by statute, or in the absence of such direction by departmental regulations endorsed by the state board of education. Categories of exceptionalities included within, but not limited by, this definition are as follows:

(a) "Physically handicapped children" means children who suffer from any physical disability making it impracticable or impossible for them to benefit from or participate on a full-time basis in the normal classroom program of the public schools in the school district in which they reside and whose intellectual development is such that they are capable of being educated through a modified educational program;

(b) "Children with communication disorders" means those children who evidence disorders in hearing, language, or speech;

(c) "Educable mentally handicapped children" means children who because of retarded intellectual development, as determined by recognized standardized tests, are incapable of being educated profitably and efficiently through ordinary classroom instruction but whose intellectual ability would indicate a degree of scholastic attainment with the benefit of special educational methods, materials, and facilities;

(d) "Trainable mentally handicapped children" are mentally handicapped children who, because of retarded intellectual development, are incapable of being educated properly and efficiently through ordinary classroom instruction or special education facilities for educable mentally handicapped children, but who may be expected to benefit from training in a group setting designed to further their social adjustment and economic usefulness;

(e) "Children with learning disabilities" are those children who have a disorder in one or more of the basic psychological processes involved in understanding or using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental disadvantage;

(f) "Emotionally disturbed children" means those children who exhibit a variety of excessive chronic, deviant, inappropriate, persistent behaviors ranging from impulsive and aggressive to depressive and withdrawal acts which cause the child's placement to be deterimental to his educational progress, dangerous to his health or safety, or disruptive to the program for other children;

(g) "Multiple handicapped children" are those children who have a combination of two or more moderate to profound handicaps which produce serious learning, developmental, or behavioral emotional problems. These handicaps prohibit or seriously limit progress in a regular or special education program designed to accommodate children with a single handicap;

[(h) "Intellectually gifted or talented children" means children who possess demonstrated abilities or measured potential that provides evidence of high performance capability in areas such as intellectual or creative ability who need special education services in order to realize these potentialities.]

(2) "Special educational facilities" means special schools, special classes, and special instruction.

(3) "Related services" means those educational services for the exceptional child and his family that ordinarily cannot be delivered through the public educational system.

Section 8. The following KRS sections are repealed:

158.615 Reimbursement for experimental programs.
157.610 Intellectually gifted or talented children program funds.

The Committee Substitute to **HB 552** is as follows:

Committee Substitute for **HB 552,** AN ACT relating to gifted and talented education programs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.600 is amended to read as follows:

(1) It is the intention of the general assembly in enacting KRS 158.605 to 158.620 *and Section 6 of this Act* to provide experimental *or classroom unit* programs of instruction for gifted and talented students in the division of program development, bureau of instruction of the department of education.

(2) State direction and implementation of a statewide gifted and talented education program is manifested in the biennial appropriation of funds to finance such classroom units or experimental programs. The rate at which gifted and talented units or experimental programs are funded indicates the state's ability to assure a quality educational opportunity for appropriate students.

Section 2. KRS 158.605 is amended to read as follows:

As used in KRS 158.600 to 158.620 *and Section 6 of this Act* unless the context otherwise requires, "gifted and talented children" means [those] children *who possess demonstrated abilities or measured potential that provides evidence of high performance capability* [identified as being capable of high performance to include those who have demonstrated achievement or potential ability] in any of the following areas singly or in combination:

(1) Intellectual ability;
(2) Specific academic aptitude;
(3) Creative or productive thinking;
(4) Leadership ability; *and*
(5) Visual and performing arts[; and
(6) Psychomotor ability].

Gifted and talented children are children who need special educational services in order to realize their potential.

Section 3. KRS 158.610 is amended to read as follows:

(1) It is the intent of the general assembly in enacting this legislation to permit the state board for elementary and secondary education, upon recommendation of the superintendent of public instruction, to authorize a local board of education to submit applications to operate an experimental program for gifted and talented students *in the event that units for gifted and talented programs as provided for in Section 6 of this Act are not included in the executive budget.* [The objective is to encourage experimentation that may result in quality programs for gifted students and a more efficient use of educational resources.]

(2) The state board for elementary and secondary education, upon recommendation of the superintendent of public instruction, shall adopt regulations relating to requirements to be met by local school districts *to implement gifted and talented classroom unit programs according to the provisions of KRS 158.600 to 158.620 and Section 6 of this Act for their proper administration, including but not limited to, eligibility and admission of pupils, curriculum, class size limitations, teacher qualifications and program evaluation or* when applying for funds to operate an experimental gifted *and talented* students *program* [project].

(3) The state board for elementary and secondary education, upon recommendation by the superintendent of public instruction, shall determine annually which of the applications submitted shall be funded for the following year *in the event gifted and talented program units are not included in the executive budget.*

Section 4. KRS 158.620 is amended to read as follows:

(1) No later than ninety (90) days after the end of *each* [the] fiscal year [in which a project was approved and operated], the local school district shall *submit an evaluation* [make a progress] report *of gifted and talented programs* to the state board for elementary and secondary education. [The state superintendent of public instruction shall make, through costs benefit, an effectiveness analysis and evaluation of all gifted and talented experimental programs operating under the provisions of KRS 158.600 to 158.620.]

(2) The state department of education, with approval of the state board for elementary and secondary education, shall supply the following information for the legislative research commission *and the* [,] governor *each year* [and the next regular session of the general assembly]:

(a) A definition for the talented and gifted child appropriate for Kentucky;

(b) A system of reporting *program progress* [including a breakdown of programs instituted under KRS 158.600 to 158.620 by county and congressional district];

(c) Information which evaluates effectiveness of the program; and

(d) A ten (10) year plan for implementing a state-wide program for talented and gifted children *which shall be reviewed and updated each year.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

(1) The department of education shall provide inservice training in the operation of gifted and talented programs provided for in Sections 1 through 6 of this Act for teachers in districts which did not operate experimental programs provided for in KRS 158.600 to 158.620 during the 1978-79 and 1979-80 school years or for teachers in districts which are allotted units under Section 6 of this Act during the 1980-81 and 1981-82 school years.

(2) Inservice training activities shall be provided prior to the beginning of and during the 1980-81 and 1981-82 school years.

Section 6. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the superintendent of public instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for exceptional children, classroom units for kindergarten, *classroom units for gifted and talented children when units are included in the executive budget,* classroom units for superintendents, administrative and special instructional services, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) In allotting classroom units for elementary and secondary schools, one (1) classroom unit shall be included for each twenty-seven (27) pupils in average daily attendance in grades one (1) through twelve (12); provided, however, that one (1) classroom unit shall be included for each isolated one-teacher school with twelve (12) or more pupils in average daily attendance and one (1) unit shall be included for each twenty-five (25) pupils in average daily attendance at all other isolated schools. The allotments of classroom units in this subsection shall be made on the average daily attendance for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions: (a) an average daily attendance of six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 shall be deducted for each vocational unit allotted and (b) an average daily attendance of five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 shall be deducted for each exceptional children's unit allotted. If a local school district through its admission and release committee determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, then the school district shall count this as average daily attendance in a public school the time that such child is in attendance at such private school or agency.

(3) Allotments of classroom units except those allotted in accordance with subsection (4) of this section, shall be increased when the average daily attendance in grades one (1) through twelve (12) in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district in grades one (1) through twelve (12) for the first two (2) months of the previous school year. The total number of classroom units allotted the district shall be increased by the percent of increase.

(4) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the number of classroom units allotted the district, except those allotted in accordance with subsection (3) of this section, for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(5) In allotting classroom units for vocational education, one (1) classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the state plan of vocational education as approved by the state board for occupational education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach part-time or short unit classes for less than a school day or a school year that meet the regulations of the state plan of vocational education as approved by the state board for occupational education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(6) In allotting classroom units for exceptional children, one (1) classroom unit shall be included upon the employment of each teacher approved to teach such children in accordance with the provisions of law and Kentucky administrative regulations of the state board for elementary and secondary education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(7) (a) In allotting classroom units for administrative and special instructional services, the total number of classroom units allotted in subsections (2), [and] (10) *and (12)* plus subsections (5) and (6) before July 1, 1976 shall be divided by eight (8) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(b) The total number of units allotted under subsection (5) beyond those allotted in the school year 1975-76 times six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 average daily attendance plus the total number of units allotted under subsection (6) beyond those allotted in the school year 1975-76 times five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 average daily attendance shall be divided by two hundred and sixteen (216) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(c) The total of subsection (a) plus subsection (b) shall be the number of classroom units allotted the district for administrative and special instructional services as authorized by Kentucky administrative regulations of the state board for elementary and secondary education.

(8) In allotting classroom units for supervisors of instruction, one-half (½) of a classroom unit shall be allotted each district which is allotted twenty-five (25) through forty-nine and nine-tenths (49.9) classroom units under subsections (2), (5), (6), [and] (10) *and (12)*; one (1) unit shall be allotted each district which is allotted fifty (50) to one hundred (100) classroom units, one unit shall be allotted for each one hundred (100) classroom units, or major fraction thereof, in districts allotted more than one hundred (100) classroom units under these subsections.

(9) In allotting classroom units for directors of pupil personnel, one (1) classroom unit shall be allotted each district which is allotted thirty-six (36) to one hundred and sixty-five and nine-tenths (165.9) classroom units under subsection (2) and a unit for each additional two hundred and sixty-six (266) classroom units or fraction thereof allotted under subsection (2). For districts having fewer than thirty-six (36) classroom units, a proportionate fraction of a classroom unit shall be allotted.

(10) In allotting classroom units for the kindergarten, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, may allot units for kindergarten. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(11) In allotting classroom units for superintendent, one unit shall be allotted each school district.

(12) In allotting classroom units for gifted and talented childen, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, may allot units for gifted and talented children. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without the approval of the governor.

Section 7. KRS 157.200 is amended to read as follows:

(1) "Exceptional children" means persons under twenty-one (21) years of age who differ in one or more respects from average or normal children in physical, mental, learning, emotional or social characteristics and abilities to such a degree that they need special educational programs or services for them to benefit maximally from the regular or usual facilities or educational programs of the public schools in the districts in which they reside[; or, those children who, because of their intellectual or creative abilities or potentialities, require special educational programs or services]. These children include, but are not limited to, those children hereafter described in this section as well as the neurologically impaired, visually impaired, hearing impaired and the retarded. The department of education, through regulations endorsed by the state board of education, shall interpret the statutory definitions of exceptionality. An exceptionality is any trait so defined in KRS 157.200 or stipulated in the regulations of the state department of education. Requirements of average daily attendance for exceptional classes will be regulated by statute, or in the absence of such direction by departmental regulations endorsed by the state board of education. Categories of exceptionalities included within, but not limited by, this definition are as follows:

(a) "Physically handicapped children" means children who suffer from any physical disability making it impracticable or impossible for them to benefit from or participate on a full-time basis in the normal classroom program of the public schools in the school district in which they reside and whose intellectual development is such that they are capable of being educated through a modified educational program;

(b) "Children with communication disorders" means those children who evidence disorders in hearing, language, or speech;

(c) "Educable mentally handicapped children" means children who because of retarded intellectual development, as determined by recognized standardized tests, are incapable of being educated profitably and efficiently through ordinary classroom instruction but whose intellectual ability would indicate a degree of scholastic attainment with the benefit of special educational methods, materials, and facilities;

(d) "Trainable mentally handicapped children" are mentally handicapped children who, because of retarded intellectual development, are incapable of being educated properly and efficiently through ordinary classroom instruction or special education facilities for educable mentally handicapped children, but who may be expected to benefit from training in a group setting designed to further their social adjustment and economic usefulness;

(e) "Children with learning disabilities" are those children who have a disorder in one or more of the basic psychological processes involved in understanding or using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental disadvantage;

(f) "Emotionally disturbed children" means those children who exhibit a variety of excessive chronic, deviant, inappropriate, persistent behaviors ranging from impulsive and aggressive to depressive and withdrawal acts which cause the child's placement to be deterimental to his educational progress, dangerous to his health or safety, or disruptive to the program for other children;

(g) "Multiple handicapped children" are those children who have a combination of two (2) or more moderate to profound handicaps which produce serious learning, developmental, or behavioral emotional problems. These handicaps prohibit or seriously limit progress in a regular or special education program designed to accommodate children with a single handicap;

[(h) "Intellectually gifted or talented children" means children who possess demonstrated abilities or measured potential that provides evidence of high performance capability in areas such as intellectual or creative ability who need special education services in order to realize these potentialities.]

(2) "Special educational facilities" means special schools, special classes, and special instruction.

(3) "Related services" means those educational services for the exceptional child and his family that ordinarily cannot be delivered through the public educational system.

Section 8. KRS 158.615 is amended to read as follows:

Any school district approved for an experimental gifted *and talented* students program shall be reimbursed by the state department of education out of funds appropriated in the amount up to that approved by the state board for elementary and secondary education *in the event that units for gifted and talented units are not included in the executive budget.*

Section 9. The following KRS section is repealed:

157.610 Intellectually gifted or talented children program funds.

The Committee on Education reported **HB 152,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee on Counties and Special Districts reported **HB 326, HB 488, HB 519** with Committee Amendment attached thereto, **HB 562, HB 585,** and **HB 502** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 326, AN ACT relating to contracts and purchases by local governments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 45A.345 TO 45A.460 IS CREATED TO READ AS FOLLOWS:

(1) Unless the legislative body or governing board of the local public agency elects to contract and purchase in accordance with KRS 45A.365 to 45A.375, KRS 45A.365 to KRS 45A.375 shall not apply to any local public agency except:

(a) A city of the first class and any sub-unit of such city;

(b) A county containing a city of the first class and any sub-unit of such county;

(c) A school district, special district or other local public agency, other than cities of the second through sixth classes, that includes, is coterminous with, or is located within a county containing a city of the first class; and

(d) An agency formed under KRS Chapter 79 which includes a local public agency listed in paragraph (a), (b) or (c) of this subsection.

(2) Any local public agency that is not subject to KRS 45A.365 to 45A.375 and that does not elect to contract and purchase thereunder shall contract or purchase through the following competitive solicitation and awards procedure unless otherwise provided by KRS 45A.380 and KRS 45A.385:

(a) Proposals shall be solicited through advertisement pursuant to KRS 424.260. For the purpose of this section, the term "bid," as used in KRS 424.260, shall mean a request for proposals. The request for proposals shall indicate the factors to be considered in the evaluation of proposals and the relative importance of each factor.

(b) Award shall be made to the responsible offerer whose proposal is determined in writing to be the most advantageous to the local public agency based upon the evaluation factors set forth in the request for proposals.

Section 2. KRS 45A.350 is amended to read as follows:

Except as otherwise provided in Section 1 of this Act, KRS 45A.345 to 45A.460 shall apply to every local public agency in this state. Any legislative body or governing board may adopt any of the [other] provisions of this code *that do not apply to the local public agency*, and may make modifications of such provisions, provided, however, that such modifications shall not be inconsistent with the Kentucky procurement code.

Section 3. KRS 45A.365 is amended to read as follows:

(1) All contracts or purchases shall be awarded by competitive sealed bidding, except as otherwise provided by KRS 45A.370 to 45A.385 *and Section 1 of this Act.*

(2) The invitation for bids shall state whether the award shall be made on the basis of the lowest bid price or the lowest evaluated bid price. If the latter is used, the objective measureable criteria to be utilized shall be set forth in the invitation for bids.

(3) The public shall be given notice of the invitation for bids for advertisement in the newspaper of largest circulation in the local jurisdiction at least once not less than seven (7) days nor more than twenty-one (21) days before the date set for the opening of the bids. The advertisement shall include the time and place the bids will be opened and the time and place where the specifications may be obtained.

(4) The bids shall be opened publicly at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder, shall be recorded and be open to public inspection.

(5) A contract shall be awarded with reasonable promptness by written notice to the responsive and responsible bidder whose bid is either the lowest bid price or the lowest evaluated bid price.

(6) The local public agency may allow the withdrawal of a bid where there is a patent error on the face of the bid document, or where the bidder presents sufficient evidence, substantiated by bid worksheets, that the bid was based upon an error in the formulation of the bid price.

Section 4. KRS 45A.370 is amended to read as follows:

(1) *Subject to Section 1 of this Act,* a local public agency may contract or purchase through competitive negotiation upon a written finding that:

(a) Specifications cannot be made sufficiently specific to permit award on the basis of either the lowest bid price or the lowest evaluated bid price, including, but not limited to, contracts for experimental or developmental research work, or highly complex equipment which requires technical discussions, and other nonstandard supplies, services, or construction; or

(b) Sealed bidding is inappropriate because the available sources of supply are limited, the time and place of performance cannot be determined in advance, the price is regulated by law, or a fixed price contract is not applicable; or

(c) The bid prices received through sealed bidding are unresponsive or unreasonable as to all or part of the requirements, or are identical or appear to have been the result of collusion; provided each responsible bidder is notified of the intention to negotiate and is given a reasonable opportunity to negotiate, and the negotiated price is lower than the lowest rejected bid by any responsible bidder.

(2) Proposals shall be solicited through advertisement pursuant to KRS 45A.365(3) or any other means which can be demonstrated to notify an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirement of the procurement. The request for proposals shall indicate the factors to be considered in the evaluation and the relative importance of each factor.

(3) Written or oral discussions shall be conducted with all responsible offerors who submit proposals determined in writing to be reasonably susceptible of being selected for award. Discussions shall not disclose any information derived from proposals submitted by competing offerors. Discussions need not be conducted:

(a) With respect to prices, where such prices are fixed by law or regulation except that consideration shall be given to competitive terms and conditions; or

(b) Where time of delivery or performance will not permit discussions; or

(c) Where it can be clearly demonstrated and documented from the existence of adequate competition or accurate prior cost experience with that particular supply, service or construction item that acceptance of an initial offer without discussion would result in fair and reasonable prices and the request for proposal notifies all offerors of the possibility that award may be made on the basis of initial offers.

(4) If discussions pertaining to the revision of the specifications or quantities are held with any potential offeror, all other potential offerors shall be afforded an opportunity to take part in such discussions. A request for proposals based on revised specifications or quantities shall be issued as promptly as possible, shall provide for an expeditious response to the revised requirements and shall be awarded upon the basis of the lowest bid price or lowest evaluated bid price submitted by any responsive and responsible offeror. No discussion shall be conducted with offerors after submission of revised proposals except for a compelling reason as determined in writing by the local public agency. The request for proposals shall state that an award is to be made without discussion except as herein provided.

(5) Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the local public agency based upon the evaluation factors set forth in the request for proposals.

Section 5. KRS 45A.420 is amended to read as follows:

Any local public agency may enter into an agreement for cooperative purchasing with any other local public agency. When the contracting local public agency contracts for supplies, services or construction pursuant to KRS 45A.365, 45A.370, 45A.375, [or] 45A.380, *or Section 1 of this Act*, all other parties to the agreement shall be deemed to have complied with the provisions of those sections.

Section 6. Whereas, the extreme difficulty in providing the necessary funding to implement the competitive bidding system as presently provided imposes a tremendous burden on local governments, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the governor.

HB 488, AN ACT relating to death benefits for peace officers and fire fighters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.315 is amended to read as follows:

(1) As used in this section, "police officer" means every full-time police officer, sheriff, or deputy sheriff, who works not less than forty hours per week, elected to office or employed by any county or city or by the state; "fire fighter" means every full-time fire fighter who works not less than forty hours per week, employed by any county or city or by the state.

(2) The spouse of any police officer, sheriff, or deputy sheriff or fire fighter whose death occurs as a direct result of an act in the line of duty shall receive a lump sum payment of *twenty*-five thousand dollars *($25,000)* [($5,000)], which sum shall be paid by the state treasurer from the general expenditure fund of the state treasury. If there is no surviving spouse, the payment shall be made to the surviving children.

(3) *If the death of a police officer or fire fighter occurs as a direct result of an act in the line of duty, his surviving children shall be exempt from payment of any tuition or fees at any state supported educational institution.*

(4) The benefits payable under this section are in addition to any benefits now or hereafter prescribed under any police, sheriff or fire fighter's retirement or benefit fund established by the state, county, or any municipality.

HB 519, AN ACT relating to area planning commissions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 147.670 is amended to read as follows:

(1) To effectuate the purposes of KRS 147.610 to 147.710 the area planning commission shall have the power and duty to:

(a) Establish a master plan of the entire area within its jurisdiction, which includes all territory incorporated and unincorporated within the counties signator hereto, or portions thereof, which may include any part or all of the plans set out in KRS 147.650. The master plan shall include studies of the population and the economy of the area of jurisdiction of the area planning commission and shall include proposals for future land use, major streets, highways, and other public grounds, places and buildings for all or part of that area;

(b) Appoint an executive director for the commission and fix his compensation. The director shall be qualified by training and experience in the field of planning and zoning;

(c) Establish a land use plan of the entire area under its jurisdiction or portions thereof, if it deems it necessary. The area land use plan may include the zoning plans now adopted by the various cities affected, but shall include a map of the entire area of its jurisdiction showing the land use districts into which it is divided. It shall prepare a text consisting of general minimum standards or requirements for those zones. The text and portion of the map pertaining to the jurisdiction of each governmental unit in the area planning commission shall be presented to the legislative bodies of the various governmental units with the recommendation that they be adopted by ordinance or order. Provided, however, That any governmental unit under the jurisdiction of the area planning commission may adopt more strict regulations or impose higher standards of land use than adopted by the land use plan;

(d) Prescribe the qualifications of, appoint, remove and fix the compensation of employes of the commission;

(e) Prepare, publish and distribute reports and other material relating to the business of the commission;

(f) Prepare and submit an annual budget for the operation of the commission;

(g) Exercise general supervision of and make regulations for the administration of the affairs of the commission;

(h) Prescribe uniform rules pertaining to investigations and hearings;

(i) Keep an accurate and complete record of all commission proceedings, financial statements, and annually report to the various cities and counties signators to the agreement provided in KRS 147.620*;*

(j) Serve in the capacity of administrative official which is authorized, upon request, to administer any provision of any zoning regulation, subdivision regulation and if delegated, any provision of any housing or building regulation or any other land use control regulation.

Section 2. KRS 147.675 is amended to read as follows:

The provisions of KRS 147.610 through 147.990 shall be construed to confer on the area planning commission an advisory capacity, *provided, however, that the area planning commission shall be authorized, upon request, to perform the duties of administrative official provided for in KRS 147.670 and 100.111* [only].

The Committee Amendment No. 1 to **HB 519** is as follows:

Amend printed copy of **HB 519,** page 3, on line 9, by adding after the word "request," the following: "*of the city or county or local planning commission affected,*";

and on line 19, by adding after the word "request," the following: "*of the city or county or local planning commission affected,*".

HB 562, AN ACT relating to oaths of office.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 62.020 is amended to read as follows:

The official oath of any officer may be administered by any judge, *county judge/executive,* notary public, clerk of a court, or justice of the peace, within his district or county.

Section 2. KRS 100.151 is amended to read as follows:

All members of a planning commission shall, before entering upon their duties, qualify by taking the oath of office prescribed by section 228 of the constitution of the Commonwealth of Kentucky before any judge, *county judge/executive,* notary public, clerk of a court, or justice of the peace within the district or county in which he resides.

Section 3. KRS 100.217 is amended to read as follows:

(1) Before any zoning regulation may have legal effect within the planning unit, a board or boards of adjustments shall be appointed for the planning unit as stated in the regulation or agreement under which the unit operates. The agreement may provide for additional boards of adjustment with jurisdiction of a particular city or area within the planning unit. Provided, that the jurisdiction of the boards of adjustment so established shall be clearly defined as to territorial limits, that all territory within the planning unit is within the jurisdiction of some board of adjustment so established and that no territory is subject to the jurisdiction of more than one (1) board of adjustment.

(2) A board of adjustment shall consist of either three (3), five (5), or seven (7) members, all of whom must be citizen members, and not more than two (2) of whom may be citizen members of the planning commission.

(3) The mayor shall be the appointing authority for cities, and the county judge/executive shall be the appointing authority for counties, subject to the approval of their respective legislative bodies.

(4) The term of office for the board of adjustment shall be four (4) years, but the term of office of members first appointed shall be staggered so that a proportionate number serve one (1), two (2), three (3), and four (4) years respectively.

(5) Vacancies on the board of adjustment shall be filled within sixty (60) days by the appropriate appointing authority. If the authority fails to act within that time, the planning commission shall fill the vacancy. When a vacancy occurs other than through expiration of the term of office, it shall be filled for the remainder of that term.

(6) All members of boards of adjustments shall, before entering upon their duties, qualify by taking the oath of office prescribed by section 228 of the constitution of the Commonwealth of Kentucky before any judge, *county judge/executive,* notary public, clerk of a court, or justice of the peace within the district or county in which he resides.

(7) Reimbursement for expenses or compensation or both may be authorized for members on a board of adjustments.

(8) Any member of a board of adjustments may be removed by the appropriate appointing authority for inefficiency, neglect of duty, malfeasance, or conflict of interest. Any appointing authority who exercises the power to remove a member of the board of adjustments shall submit a written statement to the commission setting forth the reasons for removal, and the statement shall be read at the next meeting of the board of adjustments, which shall be open to the general public. The member so removed shall have the right of appeal from the removal to the circuit court of the county in which he resides.

(9) Each board of adjustments annually shall elect a chairman, vice-chairman, and secretary and any other officers it deems necessary, and any officer shall be eligible for re-election at the expiration of his term.

HB 585, AN ACT relating to fiscal courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67.050 is amended to read as follows:

(1) Any county may have a fiscal court consisting of the county judge/executive and three (3) commissioners elected from the county at large. To ascertain whether the county desires to have county commissioners, the county judge/executive, upon an application by written petition signed by one hundred (100) legal voters of the county, shall enter an order on his order book calling an election to submit to the legal voters of the county the following question: "Are you for or against having a fiscal court composed of three (3) commissioners and the county judge/executive ?" The order shall be entered at the next regular term after the petition is filed, and shall direct the election to be held at the next regular election to be held in the county that does not occur within less than sixty (60) days from the filing of the petition. The county clerk shall give to the sheriff or other officer appointed to hold the election a certified copy of the order within five (5) days after the order is made, and the sheriff or other officer shall have the order published pursuant to KRS chapter 424 and in addition advertise it by printed handbills posted at one or more conspicuous places in each precinct in the county for the length of time that publication is required, stating when the election will be held and the purpose thereof.

(2) All such elections shall be held under the general election laws. No such election shall be held in any county *more often* [oftener] than once in four (4) years.

(3) Any county that has voted in favor of having county commissioners may return to its prior form of government by following the same procedures as provided in subsections (1) and (2) of this section, by which it chose to have county commissioners. *A petition for an election on a return to a fiscal court composed of justices of the peace and the county judge/executive shall state a proposed number of justices of the peace. The question to be submitted to the voters shall be in the following form: "Are you in favor of a return to a fiscal court composed of the county judge/executive and (insert the proposed number of justices) justices of the peace who shall represent specific districts within the county?"*

(4) If a majority of the votes cast at an election held under subsection (3) of this section are in favor of a return to a fiscal court composed of justices of the peace and the county judge/executive, the county judge/executive shall, if necessary, initiate proceedings to reapportion the justices districts. The change in the composition of the fiscal court shall become effective upon the assumption of office of justices of the peace elected at the next regular election for that office.

Section 2. KRS 67.060 is amended to read as follows:

(1) If a majority of the votes cast at an election held under KRS 67.050 are in favor of the fiscal court being composed of the county judge/executive and three (3) commissioners, the county judge/executive shall, before the next regular election for county officers, divide the county into three (3) districts as nearly equal in population as practicable, and shall establish the boundary lines of each of the three (3) commissioner districts so that each district is an unbroken area and not split or divided by another commissioner district. At the next regular election for county officers, and every four (4) years thereafter, there shall be elected by the voters of the entire county three (3) commissioners, one (1) from each district who, with the county judge/executive, shall constitute the fiscal court.

(2)(a) In any county containing a city of the first class, which county has heretofore voted in favor of a fiscal court composed of the county judge/executive and three (3) county commissioners, the county judge/executive shall divide the county into three (3) districts as provided in subsection (1), the districts to be designated for identification purposes by the letters A, B and C, respectively.

(b) The three commissioners shall be elected by the qualified voters of the county at large at regular elections held every four years. One commissioner shall represent District A and shall be elected at the regular election in the year 1973, and two commissioners who shall represent Districts B and C, respectively, shall be elected at the regular election in the year 1975.

(3) Persons seeking the nomination of a political party as candidate for the office of county commissioner shall, where a primary election is required for such political party, be voted upon exclusively by the eligible voters of the district in which the person resides and seeks to represent. Persons seeking the nomination of a minor political party, persons who file as independent candidates or persons seeking the nomination in counties containing cities of the second class shall not be subject to the provisions of this paragraph. They shall be nominated by the voters of the entire county.

(4) To be eligible for election as a commissioner representing one of the three districts, a person shall have been a bona fide resident of the district he proposes to represent for at least one year immediately preceding the election, and, upon election, shall continue to reside within the district he was elected to represent for the duration of his term of office, under penalty of forfeiture of the office.

(5) Commissioners elected under this section shall take the oath of office and enter upon the discharge of their duties on the first Monday in January after their election, and shall serve for terms of four (4) years and until their successors are elected and qualify, *or until the effective date of a return to a fiscal court composed of justices of the peace and the county judge/executive.*

(6) No person is eligible to be a county commissioner unless he is at least twenty-four (24) years of age and has been for two (2) years next preceding his election a resident of the county and a citizen of Kentucky.

SECTION 3. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) In counties containing a city of the first class, boundaries of justices' districts shall be drawn by the county judge/executive and fiscal court so that the population of each district shall be as nearly equal as is reasonably possible.

(2) To initiate a reapportionment proceeding, the county judge/executive shall furnish the fiscal court with written notice of the need to reapportion justices' districts and shall publish notice of the planned reapportionment in accordance with KRS Chapter 424. Said reapportionment shall be completed within one hundred twenty (120) days after the referendum.

(3) The county judge/executive and fiscal court shall, within sixty (60) days of receipt of the written notice, lay off the boundary lines of the districts. A written report, establishing the boundary of each district and showing the estimated population in each shall be filed with the county clerk. Not later than twenty (20) days after the filing of the report, any citizen of the county may file exceptions, and the circuit court shall fix a day not later than ten (10) days after the filing of exceptions for the trial thereof. On the trial the court shall dispose of the exceptions and, by order entered of record, establish the boundaries of the districts.

(4) Precinct lines shall be redrawn when necessary in accordance with the provisions of KRS 117.055.

(5) Any reapportionment made in accordance with the provisions of this Act shall be certified by the county judge/executive to the county clerk.

SECTION 4. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

In counties containing a city of the first class where the fiscal court is composed of justices of the peace and the county judge/executive, the county shall be divided into eight (8) justices' districts and the justice elected from each district shall be entitled a magistrate/representative.

HB 502, AN ACT relating to county commissioners.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67.060 is amended to read as follows:

(1) If a majority of the votes cast at an election held under KRS 67.050 are in favor of the fiscal court being composed of the county judge/executive and three (3) commissioners, the county judge/executive *of a county containing a city of the first class* shall, before the next regular election for county officers, divide the county into three (3) districts as nearly equal in population as practicable, and shall establish the boundary lines of each of the three (3) commissioner districts so that each district is an unbroken area and not split or divided by another commissioner district. *The districts shall be designated for identification purposes by the letters A, B and C, respectively.* [At the next regular election for county officers, and every four (4) years thereafter, there shall be elected by the voters of the entire county three (3) commissioners, one (1) from each district who, with the county judge/executive, shall constitute the fiscal court.

(2)(a) In any county containing a city of the first class, which county has heretofore voted in favor of a fiscal court composed of the county judge/executive and three (3) county commissioners, the county judge/executive shall divide the county into three (3) districts as provided in subsection (1), the districts to be designated for identification purposes by the letters A, B and C, respectively.

(b)] The three commissioners shall be elected by the qualified voters of the county at large at regular elections held every four years. One commissioner shall represent District A and shall be elected at the regular election in the year 1973, and two commissioners who shall represent Districts B and C, respectively, shall be elected at the regular election in the year 1975. *The commissioners, with the county judge/executive, shall constitute the fiscal court.*

(2)[(3)] Persons seeking the nomination of a political party as candidate for the office of county commissioner shall, where a primary election is required for such political party, be voted upon exclusively by the eligible voters of the district in which the person resides and seeks to represent. Persons seeking the nomination of a minor political party, *or* persons who file as independent candidates [or persons seeking the nomination in counties containing cities of the second class] shall not be subject to the provisions of this paragraph. They shall be nominated by the voters of the entire county.

(3)[(4)] To be eligible for election as a commissioner representing one of the three districts, a person shall have been a bona fide resident of the district he proposes to represent for at least one year immediately preceding the election, and, upon election, shall continue to reside within the district he was elected to represent for the duration of his term of office, under penalty of forfeiture of the office.

(4) Persons seeking nomination to the office of county commissioner in counties not containing a city of the first class shall be nominated by the voters of the entire county. They shall be elected at the next regular election for county officers, and every four (4) years thereafter, following an election in favor of a fiscal court composed of the county judge/executive and three (3) commissioners.

(5) Commissioners elected under this section shall take the oath of office and enter upon the discharge of their duties on the first Monday in January after their election, and shall serve for terms of four (4) years and until their successors are elected and qualify.

(6) No person is eligible to be a county commissioner unless he is at least twenty-four (24) years of age and has been for two (2) years next preceding his election a resident of the county and a citizen of Kentucky.

The Committee Substitute to **HB 502** is as follows:

Committee Substitute for **HB 502,** AN ACT relating to county commissioners.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67.060 is amended to read as follows:

(1) If a majority of the votes cast at an election held under KRS 67.050 are in favor of the fiscal court being composed of the county judge/executive and three (3) commissioners, the county judge/executive shall, before the next regular election for county officers, divide the county into three (3) districts as nearly equal in population as practicable, and shall establish the boundary lines of each of the three (3) commissioner districts so that each district is an unbroken area and not split or divided by another commissioner district. At the next regular election for county officers, and every four (4) years thereafter, there shall be elected by the voters of the entire county three (3) commissioners, one (1) from each district who, with the county judge/executive, shall constitute the fiscal court.

(2)(a) In any county containing a city of the first class, which county has heretofore voted in favor of a fiscal court composed of the county judge/executive and three (3) county commissioners, the county judge/executive shall divide the county into three (3) districts as provided in subsection (1), the districts to be designated for identification purposes by the letters A, B and C, respectively.

(b) The three commissioners shall be elected by the qualified voters of the county at large at regular elections held every four years. One commissioner shall represent District A and shall be elected at the regular election in the year 1973, and two commissioners who shall represent Districts B and C, respectively, shall be elected at the regular election in the year 1975.

(3) Persons seeking the nomination of a political party as *a* candidate for the office of county commissioner shall, where a primary election is required for such political party, be voted upon *as follows:*

(a) In counties containing a city of the first class, only the eligible voters in the district in which the person resides and seeks to represent shall vote for one (1) candidate, except for persons seeking nomination as provided in subsection (b) hereunder;

(b) In counties containing a city of the first class, the eligible voters of the entire county shall vote for not more than one (1) such candidate from each of the three districts where a person seeks the nomination of a minor political party, or where a person files as an independent candidate;

(c) In counties not containing a city of the first class, the eligible voters of the entire county shall vote for not more than one (1) candidate from each of the three districts [exclusively by the eligible voters of the district in which the person resides and seeks to represent. Persons seeking the nomination of a minor political party, persons who file as independent candidates or persons seeking the nomination in counties containing cities of the second class shall not be subject to the provisions of this paragraph. They shall be nominated by the voters of the entire county].

(4) To be eligible for election as a commissioner representing one of the three districts, a person shall have been a bona fide resident of the district he proposes to represent for at least one year immediately preceding the election, and, upon election, shall continue to reside within the district he was elected to represent for the duration of his term of office, under penalty of forfeiture of the office.

(5) Commissioners elected under this section shall take the oath of office and enter upon the discharge of their duties on the first Monday in January after their election, and shall serve for terms of four (4) years and until their successors are elected and qualify.

(6) No person is eligible to be a county commissioner unless he is at least twenty-four (24) years of age and has been for two (2) years next preceding his election a resident of the county and a citizen of Kentucky.

The Committee on Elections and Constitutional Amendments reported **HB 176** with Committee Amendment attached thereto, **HB 345**, and **HB 425** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 176, AN ACT relating to the presidential preference primary election.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 118.560 is amended to read as follows:

(1) On the *third Tuesday in March* [regular primary election day, in accordance with KRS 118.025] in each presidential election year, the Commonwealth of Kentucky shall conduct presidential preference primary elections within each political party.

(2) Hours of voting shall be in accordance with KRS 118.035.

(3) The cost of election, officials, and the entire method of conducting the presidential preference primary shall be in accordance with Kentucky statutory provisions on primary elections.

Section 2. This Act shall become effective January 1, 1984.

The Committee Amendment No. 1 to **HB 176** is as follows:

Amend printed copy of **HB 176,** page 1, line 12, after "shall be" insert "*borne by the Commonwealth of Kentucky* ["

page 1, line 13, after "elections" insert "]"

HB 345, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.345 is amended to read as follows:

(1) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county treasurer except as otherwise provided by law. In any election when candidates for city office are voted upon, the city shall bear its proportionate share of the cost of the election.

(2) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, and within sixty (60) days following the date of the election, the county treasurer shall certify the amount of such expenses, indicating each item of expense separately, together with a statement of the number of precincts in the county, the date and kind of election to the state board of elections. The certification shall be filed within ninety (90) days after the election. Upon receipt of the certification and upon being satisfied as to the correctness thereof, the state board of elections shall issue its warrant upon the state treasurer in favor of the county treasurer for the amount of *one hundred twenty-five dollars ($125)* [eighty-five dollars ($85)] for each precinct in the county. All sums paid under this section shall be in addition to any sum paid by the state for ballot paper in elections.

(3) Payments to any county under the provisions of subsection (2) of this section shall be terminated if and whenever it fails to renew a lease, contract, or lease and option with the state property and buildings commission executed in connection with the acquisition of voting machines by the commission for the use of such county; and payments to any county shall be terminated whenever such county fails to pay any part of the rentals required for any effective period of the lease.

HB 425, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 118.770 is amended to read as follows:

When a writ of election is issued to fill a vacancy in the office of member of the general assembly or the office of member of congress *while said legislative body is in session*, petitions and certificates of nomination may be filed ten (10) days before the day of election[, and if filed] with the secretary of state *and* shall be immediately certified by him to the proper county clerks. *When a writ of election is issued while the legislative body is not in session, petitions and certificates of nomination may be filed fifty-five (55) days before the day of election with the secretary of state and shall be immediately certified by him to the proper county clerks.*

The Committee on Health and Welfare reported **HB 288** with Committee Amendment attached thereto, **HB 455,** and **HB 600** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 288, AN ACT relating to the regulation of personnel and guidance counselors.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 319A IS ESTABLISHED AND A NEW SECTION IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context requires otherwise:

(1) "Licensed professional counselor" means any person who holds himself or herself out to the public by offering to render counseling services for monetary remuneration; who meets the necessary qualifications stipulated in this Act; and who holds a current, valid license to practice counseling, with the exception of those professions listed in Section 4 of this Act.

(2) "Licensed associate counselor" means any person who holds himself or herself out to the public by offering to render counseling services for monetary remuneration; who meets the necessary qualifications stipulated in this Act; and who holds a current license for a licensed associate counselor to practice counseling, with the exception of those professions listed in Section 5 of this Act.

(3) "Board" means the Kentucky board of examiners in counseling as defined in this Act.

(4) "Counseling services" means those acts and behaviors coming within the "practice of counseling" as defined in this Act.

(5) "Practice of counseling" means rendering or offering to render to individuals, groups, organizations, or the general public any service involving the application of principles, methods, or procedures of the counseling profession, which include but are not restricted to:

(a) "Counseling" which means assisting individuals or groups, through the counseling relationship, to develop understandings of personal problems, to define goals, and to plan action reflecting his or her interests, abilities, aptitudes, and needs as these are related to personal-social concerns, educational progress, and occupations and careers.

(b) "Appraisal activities" which include the selection, administration, scoring, and interpretation of instruments designed to assess an individual's aptitudes, attitudes, educational achievement and vocational development, interests, and personal characteristics.

(c) "Consulting" which means interpreting and/or reporting scientific fact or theory in counseling, guidance, and personnel services to provide assistance in solving current or potential problems of individuals, groups or organizations.

(d) "Research activities" which mean reporting, designing, and conducting research on human subjects in counseling, guidance, and personnel services.

SECTION 2. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a board to be known as the Kentucky board of examiners in counseling composed of five (5) members, appointed by the governor of this Commonwealth, in the manner and for the term of office is hereinafter provided. Said board shall perform such duties and have such powers as this Act prescribes and confers upon it.

(2) Within ninety (90) days from the effective date of this Act the governor shall appoint five (5) members to the board of examiners in counseling. Four (4) appointees shall be selected from a list of ten (10) submitted by the Kentucky personnel and guidance association, all of whom must be eligible for a licensure under the provisions of this Act; the fifth appointee must be a Commonwealth citizen not eligible for licensure. One (1) of these board members shall be appointed to office for one (1) year, one (1) for two (2) years, one (1) for three (3) years, and two (2) for four (4) years, with a year of service covering the period of July 1 through June 30, with the first term beginning July 1, 1980. Annually thereafter as members' terms expire, the governor shall appoint successors for terms of four (4) years each. These successors shall be nominated from a list of three (3) nominees for each position to be filled submitted by the Kentucky personnel and guidance association, and all shall be eligible for licensure according to the provisions of this Act. Any vacancy resulting from an unexpired term shall be filled by this same procedure.

(3) The governor shall remove from office, upon recommendation by a majority of the board members and after notice and hearing by them, any member for incompetence, neglect of duty, or malfeasance in office.

SECTION 3. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

(1) Within ninety (90) days after appointment by the governor, the board shall convene to draft rules and operating procedures governing the functioning of the board in administering the provisions in this Act. Three (3) board members shall constitute a quorum.

(2) The board is responsible for preparation or selection and administration of examinations as required for recommending licensure as specified by this Act.

(3) The board shall establish a schedule of fees not to exceed one hundred dollars ($100) for the initial license, seventy-five dollars ($75) for license renewal and twenty-five dollars ($25) for a temporary permit. Fees collected shall be deposited in the general fund and an appropriation shall be made from the general fund for the operation of the board.

(4) The board may employ such personnel as needed and shall recommend appropriate compensation to the department of personnel.

(5) The board is empowered to investigate violations of this Act and bring suit against violators.

(6) By August 1 of each year the board shall submit to the governor a written report listing all persons who have been granted licensure under the provisions of this Act. This report shall include any hearings conducted by the board and shall indicate decisions rendered.

SECTION 4. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

(1) The board shall issue a license as a licensed professional counselor to each applicant who files an application upon a form and in such manner as the board prescribes, accompanied by such a fee as set by the board, and who furnishes satisfactory evidence of the following to the board that the applicant:

(a) is at least twenty-one (21) years of age;

(b) is of good moral character as evidenced by letters of recommendation and board review;

(c) is a citizen of the United States or has declared his intentions to become a citizen;

(d) resides or is employed in the Commonwealth of Kentucky;

(e) has completed at least sixty (60) graduate semester hours from an accredited institution of higher education based upon a program of studies in guidance, counseling, personnel services, or educational counseling and possesses a master's degree in guidance, counseling, or personnel services or an equivalent degree as determined by the board;

(f) has had at least three (3) years of professional experience of a type satisfactory to the board; and

(g) demonstrates professional competency by passing a reliable and validated examination as determined and administered by the board.

(2) The board shall issue a license of licensed associate counselor to an applicant who meets the requirements established in subsection (1) of this section with the exception of the experience requirement in subsection (1)(f). A licensed associate counselor may practice only under direct supervision of a licensed professional counselor. The plan for supervision of the licensed associate counselor must be approved by the board prior to any actual performance of counseling on the part of the licensed associate counselor. A licensed associate counselor may petition the board for licensure review for the license for licensed professional counselor provided that requirements of subsection (1)(f) have been completed.

SECTION 5. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

Nothing in this Act shall be construed as prohibiting or authorizing the performance of counseling by:

(1) Those individuals in the employ of the state and federal governments or accredited institutions of higher education insofar as counseling, guidance, and personnel services are a part of the official duties in the salaried position.

(2) Those individuals employed as school counselors and other school personnel who are certified by the state board of elementary and secondary education and whose official duties in the salaried position include counseling, guidance, and personnel services.

(3) Those individuals engaged in counseling, guidance, and personnel services pursuant to the activities of clergymen, psychologists, social workers, attorneys at law, doctors of medicine and dentistry.

(4) Those individuals who are engaged in intern or practicum activities in counseling, guidance, and personnel services in accredited institutions of higher education.

(5) The board shall be empowered to establish additional exclusions when deemed necessary for the benefit of the public.

SECTION 6. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

(1) Licenses must be renewed every three (3) years on or before the anniversary date of issue or renewal. Licenses shall be renewed for a period of three (3) years upon payment of a fee to be determined by the board. Licenses will be cancelled when fees are ninety (90) days in arrears, but may be reinstated if fees are paid within one (1) year of the anniversary date of issue or renewal.

(2) Applicants who meet all requirements for admission to the examination may be issued, at the discretion of the board, a temporary permit to practice until the next examination date.

(3) Within one (1) year from the passage of this Act, any applicant who has been employed for three (3) years as a counselor shall be considered for automatic licensure following examination without requirement of a specific examination score.

SECTION 7. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

(1) The practice of counseling shall include those persons who hold themselves out to the public by offering to render counseling services for monetary remuneration and who function under the following titles: counselor, personal counselor, personnel counselor, vocational counselor, employment counselor, guidance counselor, rehabilitation counselor, or any other title which denotes the performance of activities covered in this Act.

(2) The board shall adopt the code of ethics of the American personnel and guidance association and any revisions or additions deemed appropriate by this board to govern appropriate practice or behavior referred to in this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

(1) The board is empowered, upon investigation and affirmative action by the majority of its members, to suspend for a definite period not to exceed one (1) year, to revoke, or to deny any license issued under the provisions of this Act. This action may be taken if the applicant or license holder:

(a) has been convicted of a felony;

(b) has used fraud or deception in applying for a license or in taking an examination provided for in this Act;

(c) has violated the code of ethics adopted by the board;

(d) is using any habit-forming drug or any alcoholic beverage to an extent or in a manner dangerous to any other person or the public, or to an extent that such use impairs the ability to perform the work of a professional counselor with safety to the public; or

(e) has wilfully or negligently violated any provisions of this Act.

(2) After a period of three (3) years from the date of revocation, a person becomes eligible for applying for reinstatement through procedures to be defined by the board.

SECTION 9. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

(1) The following conditions must be met in order for the board to suspend, revoke, or deny any license:

(a) The person shall be granted a fair and impartial hearing to be conducted by the board;

(b) Written notification shall be sent to the person at his last known address at least thirty (30) days prior to the scheduled date of the hearing. Failure to appear at the hearing shall not prevent or invalidate such hearing or any action taken by the board;

(c) For the purpose of such hearing, the board may subpoena persons and papers on its behalf and on the behalf of the person under consideration, may administer oaths, and may take testimony;

(d) The person under consideration may appear by counsel or in person on his own behalf;

(e) The board's actions and determination relevant to the hearing shall be forwarded by registered mail to the person within ten (10) days following the conclusion of the hearing.

(2) A decision of the board shall become final forty (40) days after the conclusion of the hearing unless within said period the person appeals the decision to the Franklin circuit court. Such appeal does not operate as a supersedeas to the suspension, revocation, or denial.

SECTION 10. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

Any person holding a license granted under the provisions of this Act shall be immune from disclosing in any civil or criminal court proceeding, without the consent of the client, any communication made by the client to the license holder in his professional role.

SECTION 11. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

Any person who violates the provisions of this Act shall be guilty of a misdemeanor punishable upon conviction by imprisonment for not more than six (6) months or by a fine of not more than five hundred dollars ($500), or by both fine and imprisonment. Each violation and conviction shall be deemed a separate offense.

The Committee Amendment No. 1 to **HB 288** is as follows:

Amend printed copy of **HB 288,** page 8, lines 16 through 20, by deleting after the word "the" the phrase "passage of this Act, any applicant who has been employed for three (3) years as a counselor shall be considered for automatic licensure following examination without requirement of a specific examination score." and inserting in lieu thereof the phrase "*effective date of this Act, any person who is currently practicing or has previously practiced as a counselor shall receive automatic licensure as a licensed professional counselor following payment of an initial license fee, as provided in Section 3 of this Act, without requirement of an examination.*"

and on page 11, line 14, by deleting after the word "civil" the words "or criminal"

and on page 9, line 6, by inserting a period after the word "association" and after the inserted period by deleting the following phrase, "and any revisions or additional deemed appropriate by this board to govern appropriate practice or behavior referred to in this Act."

HB 455, AN ACT relating to county health boards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 212.020 is amended to read as follows:

The secretary for human resources shall appoint three (3) [intelligent and discreet] licensed and practicing physicians and one (1) [intelligent and discreet] licensed and practicing dentist *and one (1) licensed and practicing dental hygienist* and one (1) [discreet and] practicing registered nurse residing in each county who, together with the county judge/executive and one (1) person appointed by the fiscal court in each county, shall constitute a local board of health for the respective counties in which they reside. In the event a county does not have three (3) qualified licensed and practicing physicians or one (1) qualified licensed and practicing dentist *or one (1) qualified and licensed practicing dental hygienist* or one (1) qualified and licensed practicing registered nurse residing therein, the secretary for human resources may appoint a resident lay person in lieu thereof for each such vacancy. The members of the local board shall hold office for a term of two (2) years from the date of their appointment, and until their successors are appointed. The members of the board shall receive no compensation for their services.

HB 600, AN ACT relating to bird roosts.

WHEREAS, the incidence among people of histoplasmosis in the Ohio River Valley is the highest in the country; and

WHEREAS, there are presently 108 known bird roosts in Kentucky, of which 52 have been tested and 21 of these 52 roosts are known to test positive for histoplasmosis upon analysis of the soil; and

WHEREAS, the existence of these bird roosts are a potential health hazard to the people of the surrounding area; and

WHEREAS, the land associated with these bird roosts cannot be used for farming purposes because of the risk of endangering human health, resulting in inefficient use of the land and a loss of agricultural productivity; and

WHEREAS, the farmer or landowner should be given the opportunity to the rightful use of his land, rather than to be denied its full use because of the location of the bird roost on his property purely by change;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The department for human resources shall operate a program for the decontamination of bird roosts.

(2) Prior to the decontamination of a bird roost, the department shall, at a minimum, make the following determinations:

(a) The bird roost has tested positive to the presence of histoplasma capsulatum;

(b) The bird roost presents a potential health hazard;

(c) The landowner has requested in writing to the department that the department have the land area associated with the bird roost decontaminated; and

(d) That there are sufficient state funds to pay for the decontamination of the area, including any assistance which may be given by local governmental units, volunteer fire departments, or other organizations.

(3) If one or more of the determinations made by the department in subsection (2) of this section is made in the negative, the bird roost shall not be decontaminated by the department.

(4) The department shall ensure that the decontamination of a bird roost is conducted in a safe manner.

(5) The department may secure the services of local governmental units, volunteer fire departments, or other organizations as long as they are qualified to conduct the decontamination in a safe manner.

(6) The department may issue administrative regulations to implement this section.

SECTION 2. There is hereby appropriated out of the General Fund the sum of $250,000 to the Bird Roost Decontamination account for the purpose of implementing Section 1 of this Act for the fiscal years 1980-81 and 1981-82. Any remaining balance at the close of the 1980-81 fiscal year shall continue forward into the 1981-82 fiscal year.

SECTION 3. Whereas, the presence in the state of contaminated bird roosts which have tested positive to histoplasma capsulatum presents a potential health problem to the citizens of the Commonwealth, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee on Labor and Industry reported **HB 349** with Committee Substitute attached thereto, and **HJR 24** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 349, AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context clearly indicates otherwise:

(1) "Manager" means the manager of the Kentucky workmen's compensation insurance provider;

(2) "Board" means the board of directors of the Kentucky workmen's compensation insurance provider;

(3) "Provider" means the Kentucky workmen's compensation insurance provider;

(4) "Bonds" or "notes" means the bonds or bond anticipation notes authorized to be issued by the provider pursuant to this Act;

(5) "Obligations" means any bonds or bond anticipation notes authorized to be issued by the provider under the provisions of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky workmen's compensation insurance provider (K.W.C.I.P.) is created as an independent de jure public corporation and the purpose is to insure employers against liability for injuries and occupational diseases for which their employes may be entitled to benefits under the Kentucky workmen's compensation law, the federal longshoremen's and harbor worker's compensation act, and the Jones act.

(2) The provider shall transact its business in the same manner as and shall have all the powers and privileges of a corporation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky workmen's compensation insurance provider shall be under the direct supervision of a board of directors which shall consist of five (5) members to be appointed by the governor and subject to the approval of the senate.

(2) Of the members of the board, one (1) shall be appointed for a term ending July 1, 1982, and each other director for a term expiring one (1), two (2), three (3), and four (4) years thereafter. Upon expiration of any of the terms, the appointee or his successor shall be appointed for a term of four (4) years. Appointment to fill a vacancy caused by other than expiration of the term shall be for the unexpired portion of the term.

(3) The governor with the consent of the senate may remove a board member for cause after giving him a copy of the charges against him and an opportunity for being publicly heard in person or by counsel

in his own defense upon not less than ten (10) days' notice. If a board member is removed, the governor shall file in the office of the secretary of state a complete statement of all charges against the board member and the findings thereon, and a complete record of the proceedings. Any board member so removed may bring action in the proper court to determine whether he was legally removed in accordance with this section.

(4) Each appointed member of the board shall receive as compensation seventy-five dollars ($75) per day while in actual attendance at meetings of the board and shall be reimbursed for mileage and subsistence.

(5) Annually, the board shall elect from its membership its chairman and vice-chairman.

(6) The board shall appoint a secretary who shall keep a record of the proceedings and shall be custodian of all books, documents and papers filed with the provider; the minute book or journal of the provider; and its official seal. The secretary shall have authority to cause copies to be made of all minutes and other records and documents of the provider and to give certificates under the official seal of the provider.

(7) A majority of the board shall constitute a quorum for all purposes.

(8) The board may adopt rules and regulations as it deems proper for the conduct of its business and shall be responsible for setting forth the general policy for the operation of the provider.

(9) The board shall meet at least once every three (3) months. Board meetings may be called at any time by the chairman of the board or the manager.

SECTION 4. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) Three (3) nominations for the position of manager shall be submitted to the governor by the board. The governor shall appoint the manager from among these nominees and the appointment shall be subject to the consent of the senate. The manager shall be appointed for a term of four (4) years and shall be allowed to succeed himself if reappointed pursuant to the provisions of this section.

(2) Compensation of the manager shall be by salary as set out by the board. Such salary shall be commensurate with the experience and expertise necessary to properly manage the provider.

(3) The manager may perform all acts necessary or convenient in the exercise of the business of the provider including the power to hire personnel and fix compensation.

(4) The manager shall be authorized to conduct all activities in connection with the insurance business to be carried on by the provider. He shall, subject to the approval of the board, establish the premium rates.

(5) Before entering on the duties of the office the manager shall qualify by giving an official bond in an amount and with sureties approved by the governor. The manager shall file the bond with the state treasurer. The premium for the bond shall be paid by the board.

(6) The manager shall be removed only for cause by the governor at the recommendation of the board and with the consent of the senate. Such cause for removal may include, but is not limited to, improper administration of the provider or any activity inconsistent with the duties of manager of the provider.

SECTION 5. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider may:

(1) Contract with physicians, surgeons, hospitals, and rehabilitation facilities for medical, surgical, and rehabilitation evaluation and treatment and the care and nursing of injured persons entitled to benefits from the KWCIP;

(2) Make safety inspections of risks and furnish advisory services to employers on safety and health measures;

(3) Collect and disperse money necessary to administer the provisions of this Act and to conduct its business;

(4) Insure any employer for workmen's compensation liability, or deny any employer, except those listed in Section 6 of this Act, insurance for any lawful reason;

(5) Insure employers against their liability for compensation or damages under the United States longshoremen's and harbor worker's act or any extension of that act, and the Jones act;

(6) Furnish advice, services and excess workers' compensation to any employer qualified as a self-insured employer;

(7) Reinsure any risk or any part thereof;

(8) Issue its bonds and notes for the purpose of carrying out its corporate powers and duties as set forth in this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The monies and assets belonging to the provider are:

(1) All premiums and monies paid in accordance with the provisions of this Act;

(2) All property and securities acquired through the use of money belonging to the provider;

(3) All interest and dividends earned upon money belonging to the provider and deposited or invested as provided by this Act; and

(4) All proceeds from bonds issued pursuant to this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The money and property of the provider shall be used exclusively for the purposes stated in this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider may use its assets to pay medical expenses, rehabilitation expenses, benefits, salaries, administrative and other expenses; and

(2) The provider may use its assets to declare a rebate when there is an excess of assets over liabilities, necessary reserves, and a reasonable surplus for the catastrophe hazard.

SECTION 9. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

An employer who intentionally misrepresents any material fact upon which his premium under this Act is based is liable to the provider for three (3) times the amount of the difference in the premium paid and the amount the employer should have paid if his payroll had been correctly computed. The penalty shall be collected in a civil action.

SECTION 10. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) Obligations issued under the provisions of this chapter shall not be deemed to constitute a debt, liability or obligation of the state or a pledge of the faith and credit of the state, but shall be payable solely from the revenues or assets of the provider. Each obligation issued under this Act shall contain on the face thereof a statement to the effect that the provider shall not be obligated to pay the same nor the interest thereon except from the revenues or assets pledged therefor and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on such obligation.

(2) Expenses incurred by the provider in carrying out the provisions of this Act may be made payable from funds provided pursuant to this Act and no liability shall be incurred by the provider hereunder beyond the extent to which moneys shall have been so provided.

SECTION 11. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider is hereby authorized to provide for the issuance, at one (1) time or from time to time, of not exceeding ten million dollars ($10,000,000) in bonds of the provider to carry out and effectuate its corporate purposes and powers. In anticipation of the issuance of such bonds the provider also is hereby authorized to provide for the issuance, at one (1) time or from time to time, of bond anticipation notes. The principal of and the interest on such bonds or notes shall be payable solely from the funds herein provided for such payment. Any such notes may be made payable from the proceeds of bonds or renewal notes or, in the event bond or renewal note proceeds are not available, such notes may be paid from any available revenues or assets of the provider. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the provider at such price or prices and under such terms and conditions as may be determined by the provider. Any such bonds or notes shall bear interest at such rate or rates as may be determined by the provider. Notes shall mature at such time or times not exceeding five (5) years from their date or dates and bonds shall mature at such time or times not exceeding thirty (30) years from their date or dates, as may be determined by the provider. The provider shall determine the form and manner of execution of the bonds or notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the state. In case any officer whose signatures or a facsimile of whose signature shall appear on any bonds or notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The provider may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered form, or both, as the provider may determine, and provision may be made for the registration of any coupon bonds or notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and interest, and for the interchange of registered and coupon bonds or notes. Upon the approval of a resolution of the provider authorizing the sale of its bonds or notes, such bonds or notes may be sold in such manner, either at public or private sale, and for such price as said provider shall determine to be for the best interest of the provider and best effectuate the purposes of this Act provided that such sale shall be approved by the provider.

(2) The proceeds of any bonds or notes shall be used solely for the purposes for which issued and shall be disbursed in such manner and under such restrictions, if any, as the provider may provide in the resolution authorizing the issuance of such bonds or notes or in the trust agreement hereinafter mentioned securing the same. The principal of and interest on any bonds issued by the provider shall be payable solely and only from the proceeds derived by the provider from premium collection and bond proceeds.

SECTION 12. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

In the discretion of the provider any obligation issued under the provisions of this Act may be secured by a trust agreement by and between the provider and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. Such trust agreement or the resolution providing for the issuance of such obligations may pledge or assign all or any part of the revenues or assets of the provider. Such trust agreement or resolution may contain such provisions for protecting and enforcing the rights and remedies of the holders of any such obligations as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the provider in relation to the purposes to which obligation proceeds may be applied, the disposition or pledging of the revenues or assets of the provider, the terms and conditions for the issuance of additional obligations, and the custody, safeguarding and application of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of obligations, revenues or other money hereunder to furnish such indemnifying bonds or to pledge such securities as may be required by the provider. Any such trust agreement or resolution may set forth the rights and remedies of the holders of any obligations and of the trustee, and may restrict the individual right of action by any such holders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the provider may deem reasonable and proper for the security of the holders of any obligations. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be paid from the revenues or assets pledged or assigned to the payment of the principal of and the interest on obligations or from any other funds available to the provider.

SECTION 13. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The pledge of any assets or revenues of the provider to the payment of the principal of or the interest on any obligations of the provider shall be valid and binding from the time when the pledge is made and any such assets or revenues shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the provider, irrespective of whether such parties have notice thereof. Nothing herein shall be construed to prohibit the provider from selling any assets subject to any such pledge except to the extent that any such sale may be restricted by the trust agreement or resolution providing for the issuance of such obligations.

SECTION 14. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions of law to the contrary, all moneys received pursuant to the authority of this Act shall be deemed to be trust funds to be held and applied solely as provided in this Act. The resolution authorizing any obligations or the trust agreement securing the same may provide that any of such moneys may be temporarily invested pending the disbursement thereof and shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this Act and such resolution or trust agreement may provide. Any such moneys or any other moneys of the provider may be invested as provided in KRS 386.020, except that at least eighty (80) percent of these investments shall be made only in property, enterprises or securities of entities located within the Commonwealth of Kentucky.

SECTION 15. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Any holder of obligations issued under the provisions of this Act or any coupons appertaining thereto, and the trustee under any trust agreement or resolution authorizing the issuance of such obligations, except the rights herein given may be restricted by such trust agreement or resolution, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the state or granted hereunder or under such trust agreement or resolution, or under any other contract executed by the provider pursuant to this Act, and may enforce and compel the performance of all duties required by this Act or by such trust agreement or resolution to be performed by the provider or by any officer thereof.

SECTION 16. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any of the foregoing provisions of this Act or any recitals in any obligations issued under the provisions of this Act, all such obligations and interest coupons appertaining thereto shall be and are hereby made negotiable instruments under the laws of this state, subject only to any applicable provisions for registration.

SECTION 17. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Obligations issued under the provisions of this Act are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such obligations are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds, notes or obligations of the state is now or may hereafter be authorized by law.

SECTION 18. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider is hereby authorized to provide for the issuance of refunding obligations for the purpose of refunding any obligations then outstanding which shall have been issued under the provisions of this Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such obligations and, if deemed advisable by the provider, for any corporate purpose of the provider. The issuance of such obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the provider in respect of the same shall be governed by the provisions of this Act which relate to the issuance of obligations, insofar as such provisions may be appropriate therefor.

(2) Refunding obligations may be sold or exchanged for outstanding obligations issued under this Act and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of such outstanding obligations. Pending the application of the proceeds of any such refunding obligations, with any other available funds, to the payment of the principal, accrued interest and any redemption premium on the obligations being refunded, and, if so provided or permitted in the resolution authorizing the issuance of such refunding obligations or in the trust agreement securing the same, to the payment of any interest on such refunding obligations and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which shall mature or which shall be subject to redemption by the holders thereof, at the option of such holders, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended.

SECTION 19. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider shall be authorized and empowered in connection with the issuance of its bonds and notes for purposes pursuant to this Act to establish in respect of such bonds and notes such reserve funds or replacement funds as may be required in the sound discretion of the board of directors of the provider to enable the provider to effectuate its proper public purposes. In the event any such reserve fund or replacement fund created by the provider in connection with any such bond issue or note issue should, in violation of any contract made by the provider with any bondholder or noteholder be monetarily deficient in any respect as of any date of accounting so stipulated by the provider, the provider shall immediately make formal request in writing to the secretary of the executive department for finance and administration, and to the governor of Kentucky that sums adequate to restore such reserve fund or replacement fund to its contractually required level and to pay any overdue principal and interest on any outstanding bonds and notes of the provider be included in the next succeeding executive budget, and that such budget request with recommendation for approval by the general assembly of an appropriated legislative appropriation by the general assembly to the provider for the use and benefit of such reserve fund or replacement fund be submitted to such session of the general assembly. In the event the next scheduled regular session of the general assembly of Kentucky shall occur more than six (6) months after any such request by the provider, the provider shall request that sums adequate to restore such reserve fund or replacement fund to such contractually required level and to pay any overdue principal and interest on any outstanding bonds and notes of the provider be made available from the governor's contingency fund, and if such funds are so made available the budget request hereinabove described in this section shall be correspondingly reduced.

SECTION 20. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor and the general assembly. Each such report shall set forth a complete operating and financial statement of the provider during the year. The provider shall also cause an annual audit to be made by the auditor of public accounts of its books, accounts, and records with respect to all matters relating to its financial operations. The persons performing such audit shall furnish copies of the audit report to the secretary of the executive department for finance and administration, the governor and the general assembly where they shall be placed on file and made available for inspection by the general public.

SECTION 21. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

No member or other officer of the provider shall be subject to any personal liability or accountability by reason of his execution of any obligations or the issuance thereof.

SECTION 22. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider is authorized to accept and expend such moneys as may be appropriated from time to time by the general assembly or such moneys as may be received from any source including income from the provider's operations, for effectuating its corporate purposes including, without limitation, the payment of the initial expenses of administration and operation and the establishment of a reserve or contingency fund to be available for the payment of the principal of and interest on any bonds or notes of the provider.

SECTION 23. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider has been duly created as an independent de jure public corporation of the Commonwealth of Kentucky. Accordingly, the provider shall not be required to pay any taxes and assessments to the Commonwealth of Kentucky, or any county, municipality or other governmental subdivision of the Commonwealth of Kentucky, upon any of its property or upon its obligations or other evidences of indebtedness pursuant to the provisions of this Act, or upon any moneys, funds, revenues or other income held or received by the provider and the notes and bonds of the provider and the income therefrom shall at all times be exempt from taxation, except for death and gift taxes and taxes of transfers; provided, however, that real property owned by the provider shall be exempt from all property taxation and special assessments of the state or political subdivisions thereof, but the provider may agree to pay, in lieu of such taxes, such amounts as the provider finds consistent with the cost to the state or political subdivision of supplying services to the provider and maintaining the economic feasibility of the provider which payments such bodies are hereby authorized to accept.

SECTION 24. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

If any member, officer or employe of the provider shall be interested either directly or indirectly, or shall be an officer or employe of or have an ownership interest in any firm or corporation interested directly or indirectly in any contract with the provider, such interest shall be disclosed to the provider and shall be set forth in the minutes of the provider, and the member, officer or employe having such interest therein shall not participate on behalf of the provider in the authorization of any such contract.

SECTION 25. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The foregoing sections of this Act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing; provided, however, that the issuance of bonds or notes under the provisions of this Act need not comply with the requirements of any other law applicable to the issuance of bonds or notes.

SECTION 26. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Upon termination or dissolution, all rights and properties of the provider shall pass to and be vested in the Commonwealth of Kentucky, subject to the rights of lienholders and other creditors.

Section 27. KRS 304.13-020 is amended to read as follows:

(1) The provisions of this subtitle apply to property, casualty, mortgage guaranty and surety insurance (as defined in this code) of subjects of insurance resident, located or to be performed in this state, except as provided in subsection (2) of this section.

(2) This subtitle does not apply to:

(a) Re-insurance, except joint re-insurance as provided in KRS 304.13-250.

(b) Health insurance.

(c) Insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance contracts.

(d) Insurance of hulls of aircraft, including their accessories and equipment, or against liability, other than workmen's compensation and employer's liability, arising out of the ownership, maintenance or use of aircraft.

(e) Life insurance.

(f) Title insurance.

(g) Assessment or cooperative companies operating under the provisions of KRS chapter 299.

(h) Workmen's compensation insurance rates promulgated by the Kentucky workmen's compensation insurance provider.

(3) This subtitle shall apply to all insurers which, under any provisions of the laws of this state, write any of the kinds of insurance to which this subtitle applies, unless specifically exempted in this subtitle.

Section 28. KRS 342.340 is amended to read as follows:

(1) Every employer under this chapter shall either insure and keep insured his liability for compensation hereunder in some corporation, association or organization authorized to transact the business of workmen's compensation insurance in this state *including the Kentucky workmen's compensation insurance provider* or shall furnish to the board satisfactory proof of his financial ability to pay directly the compensation in the amount and manner and when due as provided for in this chapter. In the latter case the board shall require the deposit of an acceptable security, indemnity or bond to secure to such an extent as the board directs the payment of compensation liabilities as they are incurred.

(2) Every employer accepting this chapter shall at the time of such acceptance file with the board in substantially the form prescribed by it, and semiannually thereafter, or as often as may be necessary, evidence of his compliance with the provisions of this section and all others relating thereto. Until these provisions are complied with the employer shall, from the date of his acceptance of the chapter, be liable to an employe either for compensation under this chapter or at law in the same manner as if the employer had refused to accept this chapter. Claim of compensation in such cases shall be considered a waiver of the right to proceed at law and the institution of an action at law shall be considered a waiver of all claim to compensation. Upon determination that any employer under this chapter has failed to comply with these provisions the board shall promptly notify interested government agencies of said failure and with particular reference to employers engaged in coal mining the board shall promptly report any such failures to the department of mines and minerals so that appropriate action may be undertaken pursuant to KRS 351.175.

The Committee Substitute to **HB 349** is as follows:

Committee Substitute for **HB 349,** AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context clearly indicates otherwise:

(1) "Manager" means the manager of the Kentucky workers' compensation insurance provider;

(2) "Board" means the board of directors of the Kentucky workers' compensation insurance provider;

(3) "Provider" means the Kentucky workers' compensation insurance provider;

(4) "Bonds" or "notes" means the bonds or bond anticipation notes authorized to be issued by the provider pursuant to this Act;

(5) "Obligations" means any bonds or bond anticipation notes authorized to be issued by the provider under the provisions of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky workers' compensation insurance provider is created as an independent public corporation and the purpose is to insure employers against liability for injuries and occupational diseases for which their employes may be entitled to benefits under the Kentucky workers' compensation law.

(2) The provider shall transact its business in the same manner as and shall have all the powers and privileges of a corporation.

(3) The provider shall establish and maintain its main office in Frankfort, Kentucky.

SECTION 3. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky workers' compensation insurance provider shall be under the direct supervision of a board of directors which shall consist of five (5) members to be appointed by the governor with the advice and consent of the senate. If the senate is not in session when a term expires or a vacancy occurs, the governor shall make the appointment to take effect at once, subject only to the approval of the joint interim committee on labor and industry of the legislative research commission if such appointment is made more than ninety (90) days prior to the commencement of a session of the general assembly.

(2) Of the members of the board, one (1) shall be appointed for a term ending July 1, 1982, and each other director for a term expiring one (1), two (2), three (3), and four (4) years thereafter. Upon expiration of any of the terms, the appointee or his successor shall be appointed for a term of four (4) years. Appointment to fill a vacancy caused by other than expiration of the term shall be for the unexpired portion of the term.

(3) The governor, with the consent of the senate or the joint interim committee on labor and industry if the senate is not in session, may remove a board member for cause after giving him a copy of the charges against him and an opportunity for being publicly heard in person or by counsel in his own defense upon

not less than ten (10) days' notice. If a board member is removed, the governor shall file in the office of the secretary of state a complete statement of all charges against the board member and the findings thereon, and a complete record of the proceedings. Any board member so removed may bring action in the proper court to determine whether he was legally removed in accordance with this section.

(4) Each appointed member of the board shall receive as compensation seventy-five dollars ($75) per day while in actual attendance at meetings of the board and shall be reimbursed for mileage and subsistence.

(5) Annually, the board shall elect from its membership its chairman and vice-chairman.

(6) The board shall appoint a secretary who shall keep a record of the proceedings and shall be custodian of all books, documents and papers filed with the provider, the minute book or journal of the provider, and its official seal. The secretary shall have authority to cause copies to be made of all minutes and other records and documents of the provider and to give certificates under the official seal of the provider.

(7) A majority of the board shall constitute a quorum for all purposes.

(8) The board may adopt rules and regulations as it deems proper for the conduct of its business and shall be responsible for setting forth the general policy for the operation of the provider.

(9) The board shall meet at least once every three (3) months. Board meetings may be called at any time by the chairman of the board or the manager.

SECTION 4. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) Three (3) nominations for the position of manager shall be submitted to the governor by the board. The governor, with the advice and consent of the senate, shall appoint the manager from among these nominees. If the senate is not in session when a term expires or a vacancy occurs, the governor shall make the appointment to take effect at once, subject only to the approval of the joint interim committee on labor and industry of the legislative research commission if such appointment is made more than ninety (90) days prior to the commencement of a session of the general assembly. The manager shall be appointed for a term of four (4) years and shall be allowed to succeed himself if reappointed pursuant to the provisions of this section.

(2) Compensation of the manager shall be by salary as set out by the board. Such salary shall be commensurate with the experience and expertise necessary to properly manage the provider.

(3) The manager may perform all acts necessary or convenient in the exercise of the business of the provider including the power to hire personnel and fix compensation.

(4) The manager shall be authorized to conduct all activities in connection with the insurance business to be carried on by the provider. He shall, subject to the approval of the board, establish the premium rates.

(5) Before entering on the duties of the office the manager shall qualify by giving bond in an amount and with sureties approved by the governor. The manager shall file the bond with the state treasurer. The premium for the bond shall be paid by the board.

(6) The manager shall be removed only for cause by the governor at the recommendation of the board and with the consent of the senate, or the joint interim committee on labor and industry if the senate is not in session. Such cause for removal may include, but is not limited to, improper administration of the provider or any activity inconsistent with the duties of manager of the provider.

SECTION 5. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider may:

(1) Contract with physicians, surgeons, hospitals, and rehabilitation facilities for medical, surgical, and rehabilitation, evaluation and treatment and the care and nursing of injured persons entitled to benefits from the provider;

(2) Make safety inspections of risks and furnish advisory services to employers on safety and health measures;

(3) Collect and disperse money necessary to administer the provisions of this Act and to conduct its business;

(4) Insure any employer for workers' compensation liability, or deny any employer insurance for any lawful reason;

(5) Furnish advice, services and excess workers' compensation to any employer qualified as a self-insured employer;

(6) Reinsure any risk or any part thereof; and

(7) Issue its bonds and notes for the purpose of carrying out its corporate powers and duties as set forth in this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The moneys and assets belonging to the provider are:

(1) All premiums and moneys paid in accordance with the provisions of this Act;

(2) All property and securities acquired through the use of money belonging to the provider;

(3) All interest and dividends earned upon money belonging to the provider and deposited or invested as provided by this Act; and

(4) All proceeds from bonds issued pursuant to this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider may use its assets to pay medical expenses, rehabilitation expenses, benefits, salaries, administrative and other expenses.

(2) The provider may use its assets to declare a rebate when there is an excess of assets over liabilities, necessary reserves, and a reasonable surplus for the catastrophe hazard.

SECTION 8. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

An employer who intentionally misrepresents any material fact upon which his premium under this Act is based is liable to the provider for three (3) times the amount of the difference in the premium paid and the amount the employer should have paid if his payroll had been correctly computed. The penalty shall be collected in a civil action.

SECTION 9. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) Obligations issued under the provisions of this chapter shall not be deemed to constitute a debt, liability or obligation of the state or a pledge of the faith and credit of the state, but shall be payable solely from the revenues or assets of the provider. Each obligation issued under this Act shall contain on the face thereof a statement to the effect that the provider shall not be obligated to pay the same nor the interest thereon except from the revenues or assets pledged therefor and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on such obligation.

(2) Expenses incurred by the provider in carrying out the provisions of this Act may be made payable from funds provided pursuant to this Act and no liability shall be incurred by the provider hereunder beyond the extent to which moneys shall have been so provided.

SECTION 10. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider is hereby authorized to provide for the issuance, at one (1) time or from time to time, of not exceeding ten million dollars ($10,000,000) in bonds of the provider to carry out and effectuate its corporate purposes and powers. In anticipation of the issuance of such bonds the provider is hereby authorized to provide for the issuance, at one (1) time or from time to time, of bond anticipation notes. The principal of and the interest on such bonds or notes shall be payable solely from the funds herein provided for such payment. Any such notes may be made payable from the proceeds of bonds or renewal notes or, in the event bond or renewal note proceeds are not available, such notes may be paid from any available revenues or assets of the provider. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the provider at such price or prices and under such terms and conditions as may be determined by the provider. Any such bonds or notes shall bear interest at such rate or rates as may be determined by the provider. Notes shall mature at such time or times not exceeding five (5) years from their date or dates and bonds shall mature at such time or times not exceeding thirty (30) years from their date or dates, as may be determined by the provider. The provider shall determine the form and manner of execution of the bonds or notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the state. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The provider may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered form, or both, as the provider may determine, and provision may be made for the registration of any coupon bonds or notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and interest, and for the interchange of registered and coupon bonds or notes. Upon the approval of a resolution of the provider authorizing the sale of its bonds or notes, such bonds or notes may be sold in such manner, either at public or private sale, and for such price as said provider shall determine to be for the best interest of the provider and best effectuate the purposes of this Act provided that such sale shall be approved by the provider.

(2) The proceeds of any bonds or notes shall be used solely for the purposes for which issued and shall be disbursed in such manner and under such restrictions, if any, as the provider may provide in the resolution authorizing the issuance of such bonds or notes or in the trust agreement, as provided in Section 11 of this Act, securing the same. The principal of and interest on any bonds issued by the provider shall

be payable solely and only from the proceeds derived by the provider from premium collection and bond proceeds.

SECTION 11. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

In the discretion of the provider any obligation issued under the provisions of this Act may be secured by a trust agreement by and between the provider and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. Such trust agreement or the resolution providing for the issuance of such obligations may pledge or assign all or any part of the revenues or assets of the provider. Such trust agreement or resolution may contain such provisions for protecting and enforcing the rights and remedies of the holders of any such obligations as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the provider in relation to the purposes to which obligation proceeds may be applied, the disposition or pledging of the revenues or assets of the provider, the terms and conditions for the issuance of additional obligations, and the custody, safeguarding and application of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of obligations, revenues or other money hereunder to furnish such indemnifying bonds or to pledge such securities as may be required by the provider. Any such trust agreement or resolution may set forth the rights and remedies of the holders of any obligations and of the trustee, and may restrict the individual right of action by any such holders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the provider may deem reasonable and proper for the security of the holders of any obligations. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be paid from the revenues or assets pledged or assigned to the payment of the principal of and the interest on obligations or from any other funds available to the provider.

SECTION 12. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The pledge of any assets or revenues of the provider to the payment of the principal of or the interest on any obligations of the provider shall be valid and binding from the time when the pledge is made and any such assets or revenues shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the provider, irrespective of whether such parties have notice thereof. Nothing herein shall be construed to prohibit the provider from selling any assets subject to any such pledge except to the extent that any such sale may be restricted by the trust agreement or resolution providing for the issuance of such obligations.

SECTION 13. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions of law to the contrary, all moneys received pursuant to the authority of this Act shall be deemed to be trust funds to be held and applied solely as provided in this Act. The resolution authorizing any obligations or the trust agreement securing the same may provide that any of such moneys may be temporarily invested pending the disbursement thereof and shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this Act and such resolution or trust agreement may provide. Any such moneys or any other moneys of the provider may be invested as provided in KRS 386.020, except that at least eighty (80) percent of these investments shall be made only in property, enterprises or securities of entities located within the Commonwealth of Kentucky.

SECTION 14. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Any holder of obligations issued under the provisions of this Act or any coupons appertaining thereto, and the trustee under any trust agreement or resolution authorizing the issuance of such obligations, except the rights herein given may be restricted by such trust agreement or resolution, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the state or granted hereunder or under such trust agreement or resolution, or under any other contract executed by the provider pursuant to this Act, and may enforce and compel the performance of all duties required by this Act or by such trust agreement or resolution to be performed by the provider or by any officer thereof.

SECTION 15. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any of the foregoing provisions of this Act or any recitals in any obligations issued under the provisions of this Act, all such obligations and interest coupons appertaining thereto shall be and are hereby made negotiable instruments under the laws of this state, subject only to any applicable provisions for registration.

SECTION 16. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Obligations issued under the provisions of this Act are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such obligations are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds, notes or obligations of the state is now or may hereafter be authorized by law.

SECTION 17. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider is hereby authorized to provide for the issuance of refunding obligations for the purpose of refunding any obligations then outstanding which shall have been issued under the provisions of this Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such obligations and, if deemed advisable by the provider, for any corporate purpose of the provider. The issuance of such obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the provider in respect of the same shall be governed by the provisions of this Act which relate to the issuance of obligations, insofar as such provisions may be appropriate therefor.

(2) Refunding obligations may be sold or exchanged for outstanding obligations issued under this Act and, if sold, the proceeds thereof may be applied, in addition to any other purposes, to the purchase, redemption or payment of such outstanding obligations. Pending the application of the proceeds of any such refunding obligations, with any other available funds, to the payment of the principal, accrued interest and any redemption premium on the obligations being refunded, and, if so provided or permitted in the resolution authorizing the issuance of such refunding obligations or in the trust agreement securing the same, to the payment of any interest on such refunding obligations and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which shall mature or which shall be subject to redemption by the holders thereof, at the option of such holders, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended.

SECTION 18. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider shall be authorized and empowered in connection with the issuance of its bonds and notes for purposes pursuant to this Act to establish in respect of such bonds and notes such reserve funds or replacement funds as may be required in the sound discretion of the board of directors of the provider to enable the provider to effectuate its proper public purposes. In the event any such reserve fund or replacement fund created by the provider in connection with any such bond issue or note issue should, in violation of any contract made by the provider with any bondholder or noteholder, be monetarily deficient in any respect as of any date of accounting so stipulated by the provider, the provider shall immediately make formal request in writing to the secretary of the department of finance, and to the governor of Kentucky that sums adequate to restore such reserve fund or replacement fund to its contractually required level and to pay any overdue principal and interest on any outstanding bonds and notes of the provider be included in the next succeeding executive budget, and that such budget request with recommendation for approval by the general assembly of an appropriation to the provider for the use and benefit of such reserve fund or replacement fund be submitted to the next session of the general assembly. In the event the next scheduled regular session of the general assembly of Kentucky shall occur more than six (6) months after any such request by the provider, the provider shall request that sums adequate to restore such reserve fund or replacement fund to such contractually required level and to pay any overdue principal and interest on any outstanding bonds and notes of the provider be made available from the governor's contingency fund, and if such funds are so made available the budget request described in this section shall be correspondingly reduced.

SECTION 19. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor and the general assembly. Each such report shall set forth a complete operating and financial statement of the provider during the year.

(2) The provider shall have an annual audit made by the auditor of public accounts of its books, accounts, and records with respect to all matters relating to its financial operations. The persons performing such audit shall furnish copies of the audit report to the secretary of the department of finance, the governor and the general assembly where they shall be placed on file and made available for inspection by the general public.

(3) The provider shall have an annual actuarial report made with respect to all matters relating to its financial operations. The person performing such actuarial report shall furnish copies of the actuarial

report to the secretary of the department of finance, the governor and the general assembly where they shall be placed on file and made available for inspection by the general public.

SECTION 20. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

No member or other officer of the provider shall be subject to any personal liability by reason of his execution of any of the obligations of the provider.

SECTION 21. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider is authorized to accept and expend such moneys as may be appropriated from time to time by the general assembly or such moneys as may be received from any source including income from the provider's operations, for effectuating its corporate purposes including, without limitation, the payment of the initial expenses of administration and operation and the establishment of a reserve or contingency fund to be available for the payment of the principal of and interest on any bonds or notes of the provider.

SECTION 22. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

If any member, officer or employe of the provider shall be interested either directly or indirectly, or shall be an officer of employe of or have an ownership interest in any firm or corporation interested directly or indirectly in any contract with the provider, such interest shall be disclosed to the provider and shall be set forth in the minutes of the provider, and the member, officer or employe having such interest therein shall not participate on behalf of the provider in the authorization of any such contract.

SECTION 23. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Upon termination or dissolution, all rights and properties of the provider shall pass to and be vested in the Commonwealth of Kentucky, subject to the rights of lienholders and other creditors.

SECTION 24. KRS 304.1-120 is amended to read as follows:

(1) No provision of this code shall apply to:

(a)[(1)] Fraternal benefit societies (as identified in subtitle 29), except as stated in subtitle 29.

(b)[(2)] Nonprofit hospital, medical-surgical, dental and health service corporations (as identified in subtitle 32) except as stated in subtitle 32.

(c)[(3)] Burial associations (as identified in KRS chapter 303), except as stated in subtitle 31.

(d[(4)] Assessment or cooperative insurers (as identified in KRS chapter 299).

(e)[(5)] Insurance premium finance companies (as identified in subtitle 30), except as stated in subtitle 30.

(f)[(6)] A group or association of health facility and health services institutions subject to the Kentucky certificate of need, licensure and regulations act of 1972, KRS 216.405 to 216.485, composed of any number of members, who join together to self insure against professional liability or comprehensive general liability risks for bodily injury or property damage, to anyone except employes for claims arising out of their employment of the members of such group, which arises out of the operation of institutions by members of the group and who comply with the following conditions:

1.[(a)] Establishment of a professional or comprehensive general liability risk management trust fund to provide adequate coverage for claims made against members of the fund for professional liability or comprehensive general liability risks;

2.[(b)] Establishment of a comprehensive loss prevention and risk management program coordinated with an effective claims management system for members of the group;

3.[(c)] Filing with the department, on a form to be provided by the department, a certification setting forth the establishment of such a trust fund, the date upon which the trust fund is to become effective, the identity of the members of the trust fund, and a copy of the programs and systems established for the members of the trust fund.

(2) No provision of this code relating to a certificate of authorization shall apply to the Kentucky workers' compensation insurance provider.

Section 25. KRS 342.340 is amended to read as follows:

(1) Every employer under this chapter shall either insure and keep insured his liability for compensation hereunder in some corporation, association or organization authorized to transact the business of workmen's compensation insurance in this state *including the Kentucky workers' compensation insurance provider* or shall furnish to the board satisfactory proof of his financial ability to pay directly the compensation in the amount and manner and when due as provided for in this chapter. In the latter case the board shall require the deposit of an acceptable security, indemnity or bond to secure to such an extent as the board directs the payment of compensation liabilities as they are incurred.

(2) Every employer accepting this chapter shall at the time of such acceptance file with the board in substantially the form prescribed by it, and semiannually thereafter, or as often as may be necessary, evidence of his compliance with the provisions of this section and all others relating thereto. Until these provisions are complied with the employer shall, from the date of his acceptance of the chapter, be liable to an

employe either for compensation under this chapter or at law in the same manner as if the employer had refused to accept this chapter. Claim of compensation in such cases shall be considered a waiver of the right to proceed at law and the institution of an action at law shall be considered a waiver of all claim to compensation. Upon determination that any employer under this chapter has failed to comply with these provisions the board shall promptly notify interested government agencies of said failure and with particular reference to employers engaged in coal mining the board shall promptly report any such failures to the department of mines and minerals so that appropriate action may be undertaken pursuant to KRS 351.175.

Section 26. KRS 342.620 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Injury" means any work related harmful change in the human organism, including damage to or loss of a prosthetic appliance, but does not include any communicable disease unless the risk of contracting such disease is increased by the nature of the employment. "Injury" when used generally, unless the context indicates otherwise, shall include an occupational disease.

(2) "Occupational disease" means a disease arising out of and in the course of the employment.

(a) A disease shall be deemed to arise out of the employment if there is apparent to the rational mind, upon consideration of all the circumstances, a causal connection between the conditions under which the work is performed and the occupational disease, and which can be seen to have followed as a natural incident to the work as a result of the exposure occasioned by the nature of the employment and which can be fairly traced to the employment as the proximate cause. The disease shall be incidental to the character of the business and not independent of the relationship of employer and employe. The disease need not have been foreseen or expected but, after its contraction, it must appear to be related to a risk connected with the employment and to have flowed from that source as a rational consequence.

(b) "Injurious exposure" as used in KRS 342.316 shall mean that exposure to occupational hazard which would, independently of any other cause whatsoever, produce or cause the disease for which claim is made.

(3) "Death" means death resulting from an injury or occupational disease.

(4) "Carrier" means any insurer, or legal representative thereof, authorized to insure the liability of employers under this chapter and includes a self-insurer *and the Kentucky workers' compensation insurance provider*.

(5) "Self-insurer" is an employer who has been authorized under the provisions of this chapter to carry his own liability on his employes covered by this chapter.

(6) "Department" means the department of labor.

(7) "Director" means the director of the workmen's compensation board.

(8) "Board" means the workmen's compensation board.

(9) "Disability" means, except for purposes of KRS 342.730(1)(c) relating to scheduled losses, a decrease of wage earning capacity due to injury or loss of ability to compete to obtain the kind of work the employe is customarily able to do, in the area where he lives, taking into consideration his age, occupation, education, effect upon employe's general health of continuing in the kind of work he is customarily able to do, and impairment or disfigurement.

(10) "Income benefits" means payments made under the provisions of this chapter to the disabled worker or his dependents in case of death, excluding medical and related benefits.

(11) "Medical and related benefits" means payments made for medical, hospital, burial and other services as provided in this chapter other than income benefits.

(12) "Compensation" means all payments made under the provisions of this chapter representing the sum of income benefits and medical and related benefits.

(13) "Medical services" means medical, surgical, dental, hospital, nursing and medical rehabilitation services, medicines, and fittings for artificial or prosthetic devices.

(14) "Person" means any individual, partnership, firm, association, trust, joint venture, corporation, or legal representative thereof.

(15) "Wages" means, in addition to money payments for services rendered, the reasonable value of board, rent, housing, lodging, fuel or similar advantages received from the employer, and gratuities received in the course of employment from others than the employer as evidenced by the employe's federal and state tax returns.

(16) "Agriculture" means the operation of farm premises, including the planting, cultivation, producing, growing, harvesting and preparation for market of agricultural or horticultural commodities thereon, the raising of livestock for food products and for racing purposes, and poultry thereon, and any work performed as an incident to or in conjunction with such farm operations. It shall not include the commercial processing, packing, drying, storing, or canning of such commodities for market, or making cheese or butter or other dairy products for market.

(17) "Beneficiary" means any person who is entitled to income benefits or medical and related benefits under this chapter.

(18) "United States" when used in a geographic sense, means the several states, the District of Columbia, the commonwealth of Puerto Rico, the Canal Zone, and the territories of the United States.

(19) "Alien" means a person who is not a citizen, a national or a resident of the United States or Canada. Any person not a citizen or national of the United States who relinquishes or is about to relinquish his residence in the United States shall be regarded as an alien.

(20) Except as otherwise provided in KRS 342.750, the formula for income benefits shall be 66-⅔ percent of the average weekly wages of the employe at the time of his injury, multiplied by the percentage of disability caused by the injury or occupational disease, subject to the limitation contained in KRS 342.740. Income benefits shall be payable during the applicable compensable period which is either (a) the specified number of weeks, or (b) the period of occupational disability during which the employe is disabled, or (c) where death results from the injury, the period during which the deceased's dependents qualify as such, or (d) where death is unrelated to the injury, the period during which the deceased's dependents qualify as such or during the period of the deceased's normal life expectancy, whichever is less.

SECTION 27. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The Commonwealth of Kentucky, and all governmental units and agencies thereof, shall insure its workers' compensation liability with the provider; Provided, however, that if the Commonwealth, or any governmental unit or agency thereof, elects to operate as a self-insurer or is able to obtain workers' compensation insurance coverage from another source at a rate less than that of the provider, this section shall not apply.

SECTION 28. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Premium rates for policies issued by the provider after January 1, 1982, through January 1, 1983, shall be reduced by a minimum of ten percent (10%) for all employment classifications. The ten percent (10%) reduction shall be applied against premium rates that are in effect as of July 1, 1981, for private insurance carriers in the Commonwealth. The provider shall establish premium rates at the lowest possible rate consistent with the maintenance of the solvency of the provider, and the creation and maintenance of a reasonable surplus after the payment of legitimate claims, as determined by sound actuarial methods.

Section 29. 342.495 Kentucky Employe's Insurance Association created.
342.500 Board of directors — Selection — Term.
342.505 Board officers elected annually.
342.510 Quorum of board — Vacancies.
342.515 Representation of subscribers.
342.520 Subscriptions required to issue first policy.
342.525 Procedure required before first policy issued.
342.530 Board to group subscribers — Amount of premiums.
342.535 Association to fix contingent liability — Limit.
342.540 Assessments.
342.545 Dividends — All funds available for contingent liability.
342.550 Commissioner of insurance to approve premiums, etc.
342.555 Board to make safety regulations — Inspections — Review of regulation are repealed.

Section 30. This Act shall become effective July 15, 1980; Provided, however, the provider may not issue workers' compensation insurance policies prior to January 1, 1982, unless, in the opinion of the board of directors of the provider, the provider has established adequate reserve funds prior to that date.

HJR 24, A JOINT RESOLUTION authorizing and directing a comprehensive study of the workmen's compensation program in Kentucky.

WHEREAS, it is the responsibility of the legislature to guarantee a workmen's compensation system that will provide adequate benefits to injured workers at fair and equitable rates to employers; and

WHEREAS, disabled workers and their families in Kentucky must subsist on a maximum of $131 per week; and

WHEREAS, many serious questions have been raised regarding the ratemaking procedures utilized by the National Council on Compensation Insurance (NCCI) especially in the areas of classification and experience rating; and

WHEREAS, it has been reported that the results of an audit of the National Council directed by the state of South Carolina raised serious questions about the ratemaking procedures used by the National Council and the adequacy of its rates;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Governor hire a consulting firm to conduct a comprehensive study of the state's workmen's compensation program. The consulting firm shall be charged with the responsibility to study and make recommendations on:

(1) The procedures utilized by the National Council on Compensation Insurance in workmen's compensation rate calculation with particular emphasis on the fairness and adequacy of the classification and experience rating systems;

(2) The level of workmen's compensation premium as compared to premium levels in other jurisdictions using reasonable and reliable factors for comparison;

(3) The administration of the workmen's compensation program in Kentucky by the Kentucky Department of Labor and the Kentucky Department of Insurance, advising and recommending to these departments problem areas and possible solutions that, if adopted, would result in more efficient administration of the program;

(4) The development of a sophisticated computer system within the Kentucky Department of Labor to effectively monitor the workmen's compensation program in Kentucky; and

(5) The feasibility of creating a competitive state fund system as another method available to employers for purposes of insuring liability under KRS Chapter 342.

Section 2. There is hereby appropriated from the General Fund the sum of $150,000 to accomplish the study. Any amount remaining following the completion of the study shall revert to the General Fund. The study shall begin not later than July 1, 1980 and the report and recommendations shall be submitted to the Legislative Research Commission no later than July 1, 1981.

The Committee Substitute to **HJR 24** is as follows:

HJR 24, A JOINT RESOLUTION authorizing and directing a comprehensive study of the workmen's compensation program in Kentucky.

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(1) The procedures utilized by the National Council on Compensation Insurance in workmen's compensation rate calculation with particular emphasis on the fairness and adequacy of the classification and experience rating systems;

(2) The level of workmen's compensation premium as compared to premium levels in other jurisdictions using reasonable and reliable factors for comparison;

(3) The development of computer systems within Kentucky to effectively monitor the workmen's compensation program in Kentucky;

(4) The feasibility of creating a competitive state fund or alternative system as another method available for purposes of insuring liability under KRS Chapter 342; and

(5) The feasibility of creating a competitive pricing mechanism for workmen's compensation rates in Kentucky.

Section 2. There is hereby appropriated from the General Fund the sum of $150,000 to accomplish the study. Any amount remaining following the completion of the study shall revert to the General Fund. The study shall begin not later than August 1, 1980 and the report and recommendations shall be submitted to the Legislative Research Commission no later than July 1, 1981.

The Committee on Banking and Insurance reported **HB 540, HB 587, HB 603, HB 642, HB 643, HB 656, HB 657, HB 658, HB 664, SB 143** with Committee Amendment attached thereto, **HB 535** with

Committee Amendment attached thereto, and **HB 669** with Committee substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 540, AN ACT relating to corporation license tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 136.070 is amended to read as follows:

(1) Every corporation organized under the laws of this state, every corporation having its commercial domicile in this state, and every foreign corporation owning or leasing property located in this state or having one or more individuals receiving compensation in this state, except state and national banks and trust companies, savings and loan associations organized under the laws of this state and under the laws of the United States and making loans to members only, *open end registered investment companies organized under the laws of this state and registered under the investment company act of 1940,* production credit associations, insurance companies, including farmers' or other mutual hail, cyclone, windstorm or fire insurance companies, insurers and reciprocal underwriters, public service companies subject to taxation under KRS 136.120, those corporations exempted by section 501 of the Internal Revenue Code, and any other religious, educational, charitable or like corporations not organized or conducted for pecuniary profit, shall pay to the state an annual license tax of seventy cents on each one thousand dollars of the capital employed in the business as computed under the provisions of subsections (2) and (3) of this section.

(2) (a) The term "capital" as used in this section means capital stock, surplus, advances by affiliated companies, intercompany accounts, borrowed monies or any other accounts representing additional capital used and employed in the business. Accounts properly defined as "capital" in this section shall be reported at the value reflected on financial statements prepared for book purposes as of the last day of the calendar or fiscal year.

(b) "Capital employed," in the case of corporations having property or payroll only in this state, means "capital" as defined above.

(c) "Capital employed," in the case of corporations having property or payroll both within and without this state means "capital" as defined above and as apportioned under subsection (3) of this section.

(d) Property means either real property or tangible personal property which is either owned or leased. Payroll means compensation, paid to one or more individuals, as described in subsection (3) of this section. Property and pay roll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction.

(3) The total capital, as determined under subsection (2) of this section, shall be apportioned as follows:

(a) The total capital shall be multiplied by a fraction, the numerator of which is the property factor plus the payroll factor, plus the sales factor, and the denominator of which is three (3).

(b) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period; provided, however, that property which has been certified as a pollution control facility as defined in KRS 224.850 shall be excluded from the property factor.

1. Property owned by the taxpayer is valued at its original cost. If the original cost of any property is not determinable or is nominal or zero such property shall be valued by the department under regulations promulgated by the department. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals, provided that such rental and such subrentals are reasonable. If the department determines that the annual rental or subrental rate is unreasonable, or if nominal or zero rate is charged, the department may determine and apply such rental rate as will reasonably reflect the value of the property rented by the taxpayer.

2. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the department may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

(c) The payroll factor is a fraction, the numerator of which is the total amount paid or payable in this state during the tax period by the taxpayer for compensation, and the denominator of which is the total compensation paid or payable everywhere during the tax period. Compensation is paid or payable in this state if:

1. The individual's service is performed entirely within the state; or

2. The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or

3. Some of the service is performed in the state and the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(d) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period. Sales of tangible personal property are in this state if:

1. The property is delivered or shipped to a purchaser, other than the United States government, or to the designee of the purchaser within this state regardless of the f.o.b. point or other conditions of the sale; or

2. The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and the purchaser is the United States government.

3. Sales, other than sales of tangible personal property, are in this state if the income-producing activity is performed in this state; or the income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(4) If the apportionment provisions of this section do not fairly measure the taxpayer's capital in this state, the taxpayer may petition for or the department may require:

(a) The exclusion of any one or more of the factors;

(b) The inclusion of one or more additional factors which will fairly measure the taxpayer's capital in this state; or

(c) The employment of any other method to produce an equitable apportionment of the taxpayer's capital.

(5) No corporation required to pay an annual license tax under this section shall pay less than ten dollars.

SECTION 2. A NEW SECTION OF KRS CHAPTER 136 IS CREATED TO READ AS FOLLOWS:

(1) Every open end registered investment company organized under the laws of this state and registered under the investment company act of 1940 shall on or before the fifteenth day of the fourth month following the close of each fiscal year, if the company operates on a fiscal year basis, or calendar year file a report on forms prescribed by the department of revenue and pay directly to the state treasury a tax of seventy cents (70¢) for each one thousand dollars ($1,000) of "average net capital" as computed under subsections (2) and (3) of this section.

(2) The term "net capital" as used in this section means capital stock, surplus, borrowed monies or any other accounts representing capital of the company less the amount of such capital which by said company is invested in Kentucky municipal securities which are obligations issued by the state of Kentucky, its political subdivision, and the districts, authorities, agencies and instrumentalities of the state and its political subdivisions, the interest on which is exempt from federal and Kentucky income tax.

(3) The term "average net capital" as used in this section means the average of the net capital of the company as shown on financial statements of the company as of the first and last days of the fiscal or calendar year of the company, whichever is applicable.

(4) The department of revenue shall examine and audit each report as soon as practicable after each report is received. Failure to make reports and pay taxes as provided in this section shall subject the company to the same penalties imposed for such failure on the part of other corporations.

HB 587, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 9, IS CREATED TO READ AS FOLLOWS:

Any insurance company shall be liable for the acts of its agents when the agents are acting in their capacity as representatives of the insurance company.

HB 603, AN ACT relating to the Kentucky insurance regulatory board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.1-050 is amended to read as follows:

(1) "Commissioner" means the commissioner of insurance of this state.

(2) "Department" means the department of insurance of this state, unless context otherwise requires.

[(3) "Board" means the Kentucky insurance regulatory board.]

Section 2. KRS 304.13-040 is amended to read as follows:

(1) Every insurer shall file with the *commissioner* [board], except as to inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated.

(2) Every insurer offering workmen's compensation insurance coverage to employers in this state or rating organization acting on behalf thereof shall on or before July 1 of each year file with the *commissioner* [board] every revised manual, minimum, class rate, rating schedule or rating plan and every other revised rating rule or classification and every modification thereof which it proposes to use. Nothing herein shall be construed to prohibit more than one such filing in any twelve (12) month period.

(3) The *commissioner* [board] shall require the insurer to furnish the information upon which it supports the filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing shall include:

(a) The experience of the insurer or rating organization making the filing,

(b) Its interpretation of any statistical data it relies upon,

(c) The experience of other insurers or rating organizations,

(d) The data and records upon which the filing is based including, in the case of filings made by rating organizations, the reports of the member insurers to such rating organizations upon which the filing is based,

(e) The actual and incurred losses for the preceding calendar year and the most recent policy year loss data for the most recent three-year period for which such information is available,

(f) The premium income, received and earned during the preceding calendar year and the most recent policy year premium income for a three-year period for which such information is available,

(g) The actual and accrued expenses of the insurers for each of the three preceding calendar years, and

(h) Any other relevant factors.

(4) A filing and any supporting information shall be open to public inspection after the filing becomes effective, except as provided in subsection (4) of KRS 304.13-050. Specific inland marine rates on risks specifically rated, made by a rating organization, shall be filed with the *commissioner* [board], and shall become effective when filed and shall be deemed approved and in compliance with the requirements of this subtitle until such time as the *commissioner* [board] rejects the filing.

Section 3. KRS 304.13-050 is amended to read as follows:

(1) The *commissioner* [board] shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the applicable requirements of this subtitle.

(2) Subject to the exception specified in subsection (3) of KRS 304.13-040 with reference to specific inland marine rates made by a rating organization, and subsections (3) and (4) of this section, each filing shall be on file for a waiting period of thirty (30) days before it becomes effective, which period may be extended by the *commissioner* [board] for an additional period not to exceed thirty (30) days if *he* [it] gives written notice within such waiting period to the insurer or rating organization which made the filing that *he* [it] needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the *commissioner* [board] may authorize a filing which *he* [it] has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of this subtitle unless disapproved by the *commissioner* [board] within the waiting period or any extension thereof.

(3) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of this subtitle until such time as the *commissioner* [board] rejects the filing.

(4) The *commissioner* [board] may, when *he* [it] deems it to be in the public interest, hold a public hearing on any filing before said filing becomes effective to determine whether or not the filing meets the requirements of this subtitle. Upon receipt of any filings respecting workmen's compensation insurance the *commissioner* [board] shall cause the filing and supporting information and reports to be examined by an independent actuary who shall submit a written report for public inspection containing his evaluation and findings to the *commissioner* [board]. The *commissioner* [board] shall hold a public hearing on all such filings not less than thirty (30) days after receipt of the report of the actuary. The *commissioner* [board], any party or intervenor may request in writing at least ten (10) days prior to the public hearing that any rating

rule or classification or any modification thereof in effect on the date of the filing be reviewed at the public hearing and the board shall so order. When the *commissioner* [board] has determined that a hearing shall be held relative to any filing, the filing and any supporting information filed therewith shall be open to public inspection immediately upon the giving of notice as required by this subsection. Before such hearing the rating organization or insurer making such filing shall be given ten (10) days' written notice of the time and place of such hearing, and the public shall be given notice by publication pursuant to KRS chapter 424. The *commissioner* [board] shall promulgate reasonable regulations to prevent the avoidance of normal expirations and renewal dates of policies, or contracts of insurance, that may be affected by such filings. In the event that a hearing is held under the provisions of this subsection the waiting periods specified in subsection (2) of this section shall not begin to run until thirty (30) days after the close of such hearing.

(5) In the review of any filing made pursuant to KRS 304.13-040 either prior to its becoming effective, or upon a subsequent review as provided for in KRS 304.13-080, the burden of establishing that the filing under consideration meets the requirements of this subtitle shall be on the insurer or rating organization which makes such filing.

(6) The public hearings shall be conducted in accordance with the Kentucky Rules of Civil Procedure and the formal rules of evidence shall apply.

Section 4. KRS 304.13-055 is amended to read as follows:

With respect to any filing which, if approved, would result in a reduction of rates, the *commissioner* [board] shall immediately order the proposed rates to be effective. If upon the *commissioner's* [board's] review of the filing or as a result of a public hearing it appears that the proposed rates should be further reduced, the *commissioner* [board] may order the insurer or rating organization to show cause within thirty (30) days why such rates should not be further reduced in accordance with the order.

Section 5. KRS 304.13-060 is amended to read as follows:

Under rules and regulations as *he* [it] adopts the *commissioner* [board] may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The *commissioner* [board] may make such examination as *he* [it] deems advisable to ascertain whether any rates affected by such order meet the standards that rates shall not be excessive, inadequate or unfairly discriminatory.

Section 6. KRS 304.13-070 is amended to read as follows:

(1) If within the waiting period or any extension thereof as provided in KRS 304.13-050, the *commissioner* [board] finds that a filing does not meet the requirements of this subtitle, *he* [it] shall give written notice of disapproval of such filing to the insurer or rating organization which made such filing specifying therein in what respects *he* [it] finds such filing fails to meet the requirements of this subtitle and stating that such filing shall not become effective.

(2) If within thirty (30) days after a specific inland marine rate on a risk specially rated by a rating organization or a special surety or guaranty bond required by law has become effective, the *commissioner* [board] finds that such filing does not meet the requirements of this subtitle, *he* [it] shall give written notice of disapproval of the filing to the rating organization or insurer which made the filing specifying therein in what respects *he* [it] finds that the filing fails to meet the requirements of this subtitle and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective. Such disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in such notice.

Section 7. KRS 304.13-080 is amended to read as follows:

If at any time subsequent to the applicable review period provided for in subsections (1) and (2) of KRS 304.13-070 the *commissioner* [board] finds that a filing does not meet the requirements of this subtitle, *he* [it] shall, after a hearing held upon not less than ten (10) days' written notice, specifying the matters to be considered at the hearing, to every insurer and rating organization which made the filing, issue an order specifying in what respects *he* [it] finds that the filing fails to meet the requirements of this subtitle, and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective. Copies of the order shall be sent to every such insurer and rating organization. The order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.

Section 8. KRS 304.13-100 is amended to read as follows:

Upon the written application of the insured, stating his reasons therefor, filed with and approved by the *commissioner* [board], a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

Section 9. KRS 304.13-110 is amended to read as follows:

Any insurer may satisfy its obligation to make filings required by KRS 304.13-030 by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the *commissioner* [board] to accept such filings on its behalf. Nothing contained in this subtitle shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

Section 10. KRS 304.13-200 is amended to read as follows:

(1) Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the *commissioner* [board] for permission to file a deviation from the class rates, schedules, rating plans or rules respecting any kind of insurance, or class of risk within a kind of insurance, or combination thereof. Such application shall specify the basis for the modification and a copy thereof shall also be sent simultaneously to such rating organization.

(2) The *commissioner* [board] shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten (10) days' written notice thereof. If the *commissioner* [board] is advised by the rating organization that it does not desire a hearing *he* [it] may, upon the consent of the applicant, waive such hearing.

(3) In considering the application for permission to file such deviation the *commissioner* [board] shall give consideration to the available statistics and the principles for rate making as provided in KRS 304.13-030. The *commissioner* [board] shall issue an order permitting the deviation for such insurer to be filed if *he* [it] finds it to be justified and it shall thereupon become effective. *He* [It] shall issue an order denying such application if *he* [it] finds that the modification is not justified or that the resulting premiums would be excessive, inadequate or unfairly discriminatory.

(4) Each deviation permitted to be filed shall be effective for a period of not less than one (1) year from the date of such permission unless terminated sooner with the approval of the *commissioner* [board]. All term policies issued pursuant to such deviations may remain in force until their expiring dates.

Section 11. KRS 304.13-210 is amended to read as follows:

(1) Any member of or subscriber to a rating organization may appeal to the *commissioner* [board] from the action or decision of such rating organization in approving or rejecting any proposed change in or addition to the filings of such rating organization.

(2) The *commissioner* [board] shall, after a hearing held upon not less than ten (10) days' written notice to the appellant and to the rating organization, issue an order approving the action or decision of the rating organization or directing it to give further consideration to such proposal; or if the appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, *he* [it] may, in the event *he* [it] finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings within a reasonable time after the issuance of such order.

Section 12. KRS 304.13-220 is amended to read as follows:

(1) Any person or organization in interest, aggrieved with respect to any filing which is in effect may make written application to the *commissioner* [board] for a hearing thereon, except that the insurer or rating organization that made the filing shall not be authorized to proceed under this section. Such application shall specify the grounds to be relied upon by the applicant.

(2) If the *commissioner* [board] finds that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, *he* [it] shall, within thirty (30) days after receipt of such application, hold a hearing upon not less than ten (10) days' written notice to the applicant and to every insurer and rating organization which made such filing.

(3) If, after such hearing, the *commissioner* [board] finds that the filing does not meet the requirements of this subtitle, *he* [it] shall issue an order specifying in what respects *he* [it] finds that such filing fails to meet the requirements of this subtitle, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of the order shall be sent to the applicant and to every such insurer and rating organization. The order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.

Section 13. KRS 304.13-230 is amended to read as follows:

(1) Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate.

(2) Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him, except as provided in subsection (3) of this section. If the rating organization or insurer fails to grant or reject such request within thirty (30) days after it is made, the applicant may proceed in the same manner as if his application has been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty (30) days after written notice of such action, appeal to the *commissioner* [board], *who* [which], after a hearing held upon not less than ten (10) days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

(3) Matters relating to fire protection classification shall be handled directly by the *commissioner* [insurance regulatory board] in accordance with the provisions of KRS 304.13-350.

Section 14. KRS 304.13-270 is amended to read as follows:

(1) The *commissioner* [board] may promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with *him* [it], which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid *him* [it] in determining whether rating systems comply with the applicable standards set forth in KRS 304.13-030. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience.

(2) In promulgating such rules and plans, the *commissioner* [board] shall give due consideration to the rating systems on file with *him* [it], and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it.

(3) The *commissioner* [board] may designate one or more rating organizations or other agencies to assist *him* [it] in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the *commissioner* [board], to insurers and rating organizations.

(4) Each insurer shall report its loss or expense experience to the lawful rating organization or agency of which it is a member or subscriber, but shall not be required to report its loss or expense experience to any rating organization or agency of which it is not a member or subscriber. Any insurer not reporting such experience to a rating organization or other agency may be required to report such experience to the *commissioner* [board]. Any report of such experience of any insurer filed with the *commissioner* [board] shall be deemed confidential and shall not be revealed by the *commissioner* [board] to any other insurer or other person, but the board may make compilations including such experience.

Section 15. KRS 304.13-280 is amended to read as follows:

(1) Reasonable rules and plans may be promulgated by the *commissioner* [board] for the interchange of data necessary for the application of rating plans.

(2) In order to further uniform administration of rate regulatory laws, the *commissioner* [board] and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

(3) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this subtitle is authorized, provided the filings resulting from such cooperation are subject to all provisions of this subtitle which are applicable to filings generally. The *commissioner* [board] may review such cooperative activities and practices and if, after a hearing, *he* [it] finds that any such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this subtitle, *he* [it] may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this subtitle, and requiring the discontinuance of such activity or practice.

Section 16. KRS 304.13-300 is amended to read as follows:

(1) No person or organization shall wilfully withhold information from, or knowingly give false or misleading information to:

(a) The *commissioner* [board];

(b) Any statistical agency designated by the *commissioner* [board];

(c) Any rating organization, or any insurer which will affect the rates or premiums chargeable under this subtitle.

(2) A violation of this section shall subject the one guilty of such violation to the penalties provided in KRS 304.13-320.

Section 17. KRS 304.13-350 is amended to read as follows:

The *commissioner* [insurance regulatory board] shall review, approve and *hear appeals* [serve as a board of appeal acting] on the assignment, reassignment or modification of any fire protection classification of any fire protection district, municipality or locality in the state which is made by any lawful rating organization or agency operating in the Commonwealth.

Section 18. KRS 304.13-355 is amended to read as follows:

Any fire protection district, municipality or locality in the state which is assigned a fire protection classification by any lawful rating organization or insurer which makes its own rates, operating in the Commonwealth, may appeal to the *commissioner* [insurance regulatory board] for modification or reassignment of the classification within thirty (30) days of receipt of the classification. The *commissioner* [board] shall determine the manner in which an appeal may be filed.

Section 19. KRS 304.13-360 is amended to read as follows:

(1) The *commissioner* [insurance regulatory board] shall make such investigation as *he* [it] deems necessary or convenient for proper determination regarding an appeal.

(2) The books, accounts, papers and records of every fire protection classification rating organization or insurer which makes its own rates, operating in the Commonwealth, shall be available to the *commissioner* [board] for inspection and examination. By notice and order, the *commissioner* [board] may require their production or the production of verified copies at such time and place as *he* [it] designates, any expense incurred to be borne by the rating organization or insurer so ordered.

Section 20. KRS 304.13-365 is amended to read as follows:

(1) Within thirty (30) days of the filing of an appeal, the *commissioner* [insurance regulatory board] shall hold a formal hearing with proper notice to all interested persons. Whenever the *commissioner* [board] determines that a fire protection classification is unreasonable, *he* [it] shall by final order prescribe a reasonable classification to be followed for a period not to exceed one (1) year. A subsequent evaluation by the rating organization or insurer shall not be permitted until the expiration of the period set by the *commissioner* [board].

(2) The *commissioner* [board] may compel obedience to its final orders by proper proceedings in the Franklin circuit court or any other court of competent jurisdiction, and such proceedings shall have priority over all pending cases.

Section 21. KRS 304.13-370 is amended to read as follows:

(1) No insurer may increase premiums for fire insurance based on a fire protection classification until the expiration of the thirty (30) days period for appeal by the fire protection district, municipality or locality, as provided in KRS 304.13-355. If an appeal is filed, no insurer may increase such premiums until approval of the fire protection classification by the *commissioner* [insurance regulatory board].

(2) If the *commissioner's* [insurance regulatory board's] reassignment or modification of a fire protection classification results in lower fire insurance premiums, the appropriate insurers shall make any refunds of paid premiums due to customers within the affected fire protection district, municipality or locality. Such refunds shall be determined from the date the rating organization or insurer last assigned or reassigned the classification appealed.

Section 22. KRS 304.32-160 is amended to read as follows:

(1) On or after June 18, 1970 no corporation subject to the provisions of this subtitle shall deliver or issue for delivery in this state any subscription certificate or membership certificate describing health benefits available, or any indorsement, rider, or application which becomes a part thereof, until a copy of the form and the schedule of rates, dues, fees, or other periodic charges, to be paid by subscribers or members, has been filed with and approved by the *commissioner* [board].

(2) At the expiration of fifteen (15) days the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by order of the *commissioner* [board]. The *commissioner* [board] may withdraw approval at any time for cause.

(3) The *commissioner's* [board's] order disapproving any form or withdrawing previous approval shall state the grounds for disapproval or withdrawal.

(4) The *commissioner* [board] may, by order, exempt from the requirements of this section for so long as *he* [it] deems proper, any document or form specified in the order, to which in *his* [its] opinion this section may not practicably be applied, or the filing and approval of which are, in *his* [its] opinion, not desirable or necessary for the protection of the public.

Section 23. KRS 304.2-380, Insurance regulatory board established - Members - Terms - Compensation - Duties, is repealed.

HB 642, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 9 IS CREATED TO READ AS FOLLOWS:

The following persons shall be exempt from the licensing qualifications and requirements of KRS 304.9-105(4)(b) and, if otherwise properly qualified, shall be issued licenses without satisfying KRS 304.9-105(4)(c):

(1) Persons holding a certified life underwriter degree; and

(2) Persons holding a certified property and casualty underwriter degree.

HB 643, AN ACT relating to industrial loan companies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 291.410 TO 291.600 IS CREATED TO READ AS FOLLOWS:

In undertaking the examination of any industrial loan company, neither the Commonwealth of Kentucky, the commissioner of the department of banking and securities, nor any examiner employed by the Commonwealth shall become liable to any depositor, investor or other obligator of said industrial loan company by reason of said examination or omission of such examination to fully and effectively disclose the financial condition of said industrial loan company, it being the policy of the Commonwealth of Kentucky that such examinations as are required by KRS 291.530 are for the purpose of determining compliance with state law and not for the purpose of protecting or guaranteeing the depositors, investors or other obligators of said industrial loan companies.

HB 656, AN ACT relating to the conditions of and procedure for conversion of national banking association to state bank or merger with state bank.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 287.172 is amended to read as follows:

(1) A national banking association may convert into or merge with a state bank under a state charter, provided that:

(a) The action taken complies with federal law;

(b) In the case of a merger, the institutions to be merged are located in the same city or county.

(2) In the case of each conversion, a written plan of conversion shall be submitted, in duplicate, to the commissioner. Such plan shall be in form satisfactory to the commissioner, shall prescribe the terms and conditions of the conversion and the mode of carrying it into effect, and shall have annexed thereto and forming a part thereof the proposed articles of incorporation of the state bank which is to result from the conversion. Such articles of incorporation shall be in the form prescribed by law for the organization of state banks, with such variations, if any, as shall be satisfactory to the commissioner. With such plan of conversion there shall be submitted, in duplicate, to the commissioner a certificate of the president, secretary or cashier of the national banking association certifying that all steps have been taken which are necessary under federal law to the consummation of the conversion. The commissioner shall approve or disapprove such plan of conversion within sixty (60) days of the submission thereof to him. *In considering the approval or disapproval of the conversion plan the commissioner shall take into account:*

(a) Any pending administrative or judicial action to which the bank or any officer or director of the bank is a party;

(b) The performance of the converting national bank for the five (5) years preceding the application for conversion as compared to similarly situated state-chartered banks; and

(c) The proposed name of the bank after conversion which shall not be the same as or deceptively similar to any existing state-chartered bank.

If the commissioner shall approve such plan, he shall file one (1) duplicate thereof, together with one (1) duplicate of such certificate submitted therewith and the original of the approval of the commissioner, in the office of the commissioner, and the other duplicate of such plan, together with a duplicate of such certificate and a duplicate of the commissioner's approval, shall be filed in the office of the clerk of the county in which the principal office of the state bank is to be located. After such filing in the office of the commission, the conversion shall become effective upon the filing and recording of the articles of incorporation as provided in KRS 287.050, unless a later date is specified in the plan, in which event the conversion shall become effective upon such later date. *If the commissioner shall disapprove the conversion plan, he shall state his reasons for such disapproval in writing to which the converting national bank shall have the right of appeal as permitted by law.*

(3) In the case of each merger, a written plan of merger shall be submitted, in duplicate, to the commissioner. Such plan shall be in form satisfactory to the commissioner and shall prescribe the terms and conditions of the merger and the mode of carrying it into effect. Such plan may provide the name to be borne by the state bank, as receiving corporation, if such name is to be changed. Such plan may also name the persons who shall constitute the first board of directors of the state bank after the merger shall have been accomplished, provided that the number and qualifications of such person shall be in accordance with the provisions of KRS chapter 287 relating to the number and qualifications of directors of a state bank; or such plan may provide for a meeting of the stockholders to elect a board of directors within sixty (60) days after

such merger, and may make provision for conducting the affairs of the state bank meanwhile. With such plan of merger there shall be submitted, in duplicate, to the commissioner the following:

(a) By the national banking association, a certificate of the president, secretary or cashier of such association certifying that all steps have been taken which are necessary under federal law to the consummation of their merger;

(b) By the state bank, a certificate of the president, secretary or cashier certifying that such plan of merger has been approved by the board of directors of the state bank by a majority vote of all the members thereof, that such plan has been submitted to the stockholders of the state bank at a meeting thereof held; upon notice of at least fifteen (15) days, specifying the time, and place and object of such meeting and addressed to each stockholder at the address appearing upon the books of the state bank and published pursuant to KRS chapter 424, and that such plan of merger has been approved at such meeting by the vote of the stockholders owning at least two-thirds (⅔) in amount of the stock of the state bank.

(4) The commissioner shall approve or disapprove such plan of merger within sixty (60) days of such submission thereof to him. If the commissioner shall approve such plan, he shall file one (1) duplicate thereof, together with one (1) duplicate of each of such certificates and the original of the approval of the commissioner, in the office of the commissioner, and the other duplicate of such plan, together with a duplicate of each of such certificates and a duplicate of the commissioner's approval, shall be filed in the office of the clerk of the county in which the principal office of the state bank is to be located. Upon such filing in the office of the commissioner, the merger shall become effective, unless a later date is specified in the plan, in which event the merger shall become effective upon such later date.

(5) At the time when such conversion or merger becomes effective:

(a) The resulting state bank shall be considered the same business and corporate entity as the national banking association, although as to rights, powers and duties, the resulting bank is a state bank;

(b) All of the property, rights and powers and franchises of the national banking association shall vest in the resulting state bank and the resulting state bank shall be subject to and deemed to have assumed all of the debts, liabilities, obligations and duties of the national banking association and to have succeeded to all of its relationships, fiduciary or otherwise, as fully and to the same extent as if such property, rights, powers, franchises, debts, liabilities, obligations, duties and relationships had been originally acquired, incurred or entered into by the resulting state bank; Provided, however, That the resulting state bank shall not, through such conversion or merger, acquire power to engage in any business or to exercise any right, privilege or franchise which is not conferred by the provisions of KRS chapter 287 upon such resulting state bank.

(c) Any reference to the national banking association in any contract, will or document, whether executed or taking effect before or after the conversion or merger, shall be considered a reference to the resulting state bank if not inconsistent with the other provisions of the contract, will or document;

(d) A pending action or other judicial proceeding to which the national banking association is a party, shall not be deemed to have abated or to have discontinued by reason of the conversion or merger, but may be prosecuted to final judgment, order or decree in the same manner as if the conversion or merger had not been made; or the resulting state bank may be substituted as a party to such action or proceeding, and any judgment, order or decree may be rendered for or against it that might have been rendered for or against the national banking association if the conversion or merger had not occurred.

HB 657, AN ACT relating to banks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

In undertaking the examination of any bank or trust company, neither the Commonwealth of Kentucky, the commissioner of the department of banking and securities, nor any examiner employed by the Commonwealth shall become liable to any depositor, investor, or other obligator of said bank or trust company by reason of said examination or omission of said examination to fully and effectively disclose the financial condition of said bank or trust company, it being the policy of the Commonwealth of Kentucky that such examinations as are required by KRS 287.450 and 287.460, are for the purpose of determining compliance with state law and not for the purpose of protecting or guaranteeing the depositors, investors or other obligators of said bank or trust company.

HB 658, AN ACT relating to petty loan companies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 288 IS CREATED TO READ AS FOLLOWS:

In undertaking the examination of a petty loan company neither the Commonwealth of Kentucky, the commissioner of the department of banking and securities, nor any examiner employed by the Commonwealth shall become liable to any depositor, investor, or other obligator of said petty loan company by reason of said examination or omission of said examination to fully and effectively disclose the financial condition of said petty loan company, it being the policy of the Commonwealth of Kentucky that such examinations as are required by KRS 288.610 are for the purpose of determining compliance with state law and not for the purpose of protecting or guaranteeing the depositors, investors or other obligators of said petty loan companies.

HB 664, AN ACT relating to credit unions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 290 IS CREATED TO READ AS FOLLOWS:

In undertaking the examination of any credit union, neither the Commonwealth of Kentucky, the commissioner of the department of banking and securities, nor any examiner employed by the Commonwealth shall become liable to any depositor, investor, or other obligator of said credit union by reason of said examination or omission of said examination to fully and effectively disclose the financial condition of said credit union, it being the policy of the Commonwealth of Kentucky that such examinations as are required by KRS 290.100 are for the purpose of determining compliance with state law and not for the purpose of protecting or guaranteeing the depositors, investors or other obligators of said credit unions.

SB 143, AN ACT relating to installment loans by banks or trust companies or combined banks and trust companies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 287.215 is amended to read as follows:

(1) (a) In addition to the powers heretofore granted, any bank or trust company or combined bank and trust company shall have the power to lend money repayable in installments; to charge or to receive in advance interest therefor in the case of a loan having a maximum maturity of not more than five years and thirty-two days; to contract for a charge for a secured or unsecured installment loan, and which under its terms shall be repayable in installments over a period of not exceeding ten years and thirty-two days, which charge shall be at a rate not exceeding *eight* [six] dollars *($8.00)* [($6.00)] per one hundred dollars per annum upon the principal amount of the loan which charge or charges shall be for the entire period of the loan and may be collected in advance only if the maximum maturity of the loans does not exceed five years and thirty-two days.

(b) If the maturity of the loan exceeds five years and thirty-two days but does not exceed ten years and thirty-two days the charge of interest may not be discounted or received in advance but may be added on to the principal amount of the loan and shall not be discounted.

(c) If any scheduled payment or deferred payments are more than twice as large as the average of the earlier scheduled payments, the debtor and creditor shall agree that the debtor has the right to finance the amount of such payment or deferred payments at the time they are due without penalty. The terms of the refinancing which are agreed to by the debtor and the creditor shall be no less favorable to the debtor than the terms of the original loan.

(2) In addition to the charge permitted by this section, no further amount shall be directly or indirectly charged, contracted for, or received on any such installment loan, except lawful fees actually paid to a public officer for filing, recording, or releasing any instrument securing the loan and delinquent charges as hereinafter set out, and except an investigation fee not exceeding one dollar for each fifty dollars or fraction thereof upon the first eight hundred dollars of the principal amount of such loans.

(3) Delinquency charges may be made not to exceed five cents for each dollar of each installment more than ten days in arrears, and only one delinquency charge shall be made on any one installment. No delinquency charge shall exceed five dollars on any one installment. In addition to such delinquency charges, attorney's fees not exceeding fifteen percent of the unpaid balance and court costs may be collected, provided that the note is referred to an attorney not a salaried employe of the holder for collection.

(4) The lending institution shall permit the borrower to repay his loan in whole or in part at any time. If a loan is paid in full prior to maturity, the lending institution shall make a rebate at a rate not less than in accordance with the Rule of 78s if the maximum financing charge permitted hereunder has been taken. If a lesser charge has been taken, the rebate shall be at not less than a proportional rate. Provided, however, the lending institution shall be permitted in computing rebates to retain a minimum charge of ten dollars to cover its acquisition costs and where the amount of credit for anticipation of repayment is less than one dollar, no rebate need be made.

(5) In the case of loans made under this section the corporation shall not take any assignment, pledge or transfer of wages to be earned or paid in the future, nor any first lien or first mortgage on real estate as security, except such lien as is created by virtue of a judgment or decree or first mortgage liens on loans on unimproved real estate not exceeding ten acres in size or on real estate on which there is located or to be located a residential mobile home. Nothing in this section is intended to prevent lending institutions from making loans under the provisions of the National Housing Act or any other federal legislation, which loans are hereby authorized.

(6) No lending institution under this section shall split up or divide a loan or permit any person to become obligated to it under more than one contract of loan at the same time for the purpose of obtaining a greater charge than would otherwise be permitted by this section.

(7) Every note evidencing a loan made under this section shall contain the following information and provisions: The original principal amount of the loan excluding any charge made under this section; a statement of the total charge for the loan; the amount and the date of each installment; the date of final maturity; an agreement that the borrower may repay the loan in whole or in part at any time, and that if the loan is paid in full before final maturity, the borrower will receive a refund of the unearned portion of the charge as required by this section. At the time the loan is made, the lending institution shall give the borrower either a copy of the note, or a statement of the transaction containing the provisions and information required to be contained in the note. The lending institution shall deliver a receipt for each payment.

(8) In advertising for loans subject to this section, every advertisement shall conform to the following requirement: Any statement of the amount of the loan shall be the original principal amount showing in detail any charge made under this section.

(9) KRS 288.420, 288.620 and 360.010 shall not apply to loans made under authority of this section, but said sections shall remain in full force and effect for all other purposes. Nothing in this section shall be construed to impair the validity or effect of said sections with respect to loans other than those made pursuant to this section nor shall anything in this section be construed to impair the validity or effect of KRS 360.025.

(10) Any contract of loan in the making or collection of which any act shall have been done which constitutes a willful violation of any provision of this section shall be void, and the bank, trust company, combined bank and trust company shall have no right to collect or receive any interest or charges whatsoever on such loan, but the unpaid principal of the loan shall be paid in full to the lending institution.

The Committee Amendment No. 1 to **SB 143** is as follows:

Amend printed copy of **SB 143,** page 5, after line 22, insert the following:

"Section 2. Whereas, interest rates which banks must pay on borrowed funds to make loans is continuously increasing thereby affecting the ability of banks to make installment loans at the current statutory rate, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor."

HB 535, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 20 IS CREATED TO READ AS FOLLOWS:

No insurer shall increase the premium on an insured's private passenger automobile insurance policy because of an accident which results from use of any motor vehicle owned by the insured's employer and used in the business of the insured's employer at the time of the accident.

The Committee Amendment No. 1 to **HB 535** is as follows:

Amend printed copy of **HB 535**, page 1, line 3, after the word "premium" insert the words "or cancel or refuse to renew coverage"

HB 669, AN ACT relating to credit life and health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.19-010 is amended to read as follows:

All life insurance and all health insurance in connection with loans or other credit transactions shall be subject to the provisions of this subtitle, except *health* [such] insurance in connection with a loan or other credit transaction of more than five (5) years' duration *or life insurance in connection with a loan or other credit transaction of more than ten (10) years' duration*; nor shall insurance be subject to the provisions of this subtitle, where the issuance of such insurance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring debtors of the creditor.

Section 2. KRS 304.19-020 is amended to read as follows:

For the purpose of this subtitle:

(1) "Credit life insurance" means insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction;

(2) "Credit health insurance" means insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy;

(3) "Creditor" means the lender of money or vendor or lessor of goods, services, or property, rights or privileges, for which payment is arranged through a credit transaction, or any successor to the right, title or interest of any such lender, vendor, or lessor, and an affiliate, associate or subsidiary of any of them, or any director, officer or employe of any of them, or any other person in any way associated with any of them;

(4) "Debtor" means a borrower of money or a purchaser or lessee of goods, services, property, rights or privileges for which payment is arranged through a credit transaction;

(5) "Indebtedness" means the total amount payable by a debtor to a creditor in connection with a loan or other credit transaction*;*

(6) "Joint credit life or credit health" shall mean insurance on the life of the debtor and the spouse of the debtor, partners, or any other legal co-signer.

Section 3. KRS 304.19-080 is amended to read as follows:

(1) All such policies, certificates of insurance, notices of proposed insurance, applications for insurance, indorsements and riders delivered or issued for delivery in this state and the schedule of premium rates pertaining thereto shall be filed with the commissioner.

(2) All life insurance and all health insurance in connection with loans or other credit transactions shall be subject to the provisions of this subtitle, except *health* [such] health insurance in connection with a loan or other credit transaction of more than five (5) years' duration *or life insurance in connection with a loan or other credit transaction of more than ten (10) years' duration*; nor shall insurance be subject to provisions of this subtitle where the issuance of such insurance is an isolated transaction on the part of the insurer not relating to an agreement or a plan for insuring debtors of the creditor; nor shall insurance issued for an amount in excess of *$20,000* [$10,000] be subject to this subtitle.

(3) (a) Credit life insurance. It shall be presumed that premium rates charged or to be charged are not excessive in relation to the benefits if the premium or premium rates as filed with the commissioner do not exceed the following, or actuarially equivalent rates:

1. For decreasing term credit life insurance, a single premium of *seventy* [seventy-five] cents *(70¢)* [(75¢)] per annum per $100 of scheduled indebtedness[, or ninety cents (90¢) per annum per $100 of scheduled indebtedness if dismemberment benefits are included in the policy]. *There shall be no extra charge for the inclusion of dismemberment benefits.*

2. Single premium rates for indebtedness repayable in monthly instalments other than twelve (12) in number shall not exceed one-twelfth (1/12) of the above premium rate multiplied by the number of full months in the scheduled period.

3.. A premium payable monthly at the rate of *$1.08* [$1.16] per $1,000 of outstanding unpaid insured indebtedness [or $1.39 per $1,000 of outstanding unpaid insured indebtedness if dismemberment benefits are included in the policy, will be deemed the actuarial equivalent of the foregoing rates]. *There shall be no extra charge for the inclusion of dismemberment benefits.*

4. For level term credit life insurance, a single premium of $1.50 per annum per $100 of indebtedness or $1.80 per $100 of indebtedness if dismemberment benefits are included in the policy.

(b) The foregoing rate standards assume:

1. That the standards set forth above are applicable to a plan of death benefits with or without requirements for evidence of insurability which contain no exclusions except for suicide; other exclusions must receive the approval of the commissioner, and

2. That coverage is offered to all debtors regardless of age; or to all debtors not older than the applicable age limit which shall be not less than sixty-five (65) at the inception of the indebtedness or sixty-six (66) at the scheduled maturity date of the transaction, provided that each company's right to underwrite risks on an individual basis shall not be restricted by this assumption. Appropriate adjustments may be made with the approval of the commissioner if premium rates are determined according to the age of the insured debtor or by age brackets.

3. Rates for use with forms which are more restrictive in any material respect shall reflect such variations in lower rates. Similarly, forms providing more extensive benefits than set forth above may carry appropriately higher charges.

4. That the standards set forth above shall be applicable to contracts which may contain a provision excluding or denying a claim for death, resulting from pre-existing illness, disease or physical condition for which the debtor received medical advice, consultation or treatment during the twelve (12) month period immediately preceding the effective date of the debtor's coverage and which would ordinarily be expected to affect materially the debtor's health during the period of coverage; provided, however, that after such coverage has been in force for six (6) months (twelve (12) months for contracts of more than three (3) years), this pre-existing exclusion clause shall not operate to deny coverage for any death thereafter. The contract shall contain no other provision which excludes or restricts liability in the event of death caused in a certain specified manner, except provisions excluding or restricting coverage in the event of intentionally self inflicted injuries, foreign travel or residence, flight in nonscheduled aircraft, war or military service.

(4) (a) Credit health insurance. It shall be presumed that premium rates charged or to be charged are not excessive in relation to the benefits if the premium or premium rates as filed with the commissioner do not exceed the following, or actuarially equivalent rates:

Single Premium Per $100 of Initial Indebtedness

Number of Monthly Instalments	Nonrectoactive Basis		Rectoactive Basis	
	14-Day Wait	30-Day Wait	14-Day Wait	30-Day Wait
1- 6 months	*$ 1.51*	*$ .69*	*$ 2.02*	*$ .92*
7- 12 months	*2.02*	*.91*	*2.69*	*1.22*
13- 19 months	*2.50*	*1.56*	*3.33*	*2.08*
20- 24 months	*2.93*	*1.84*	*3.91*	*2.45*
25- 30 months	*3.28*	*2.34*	*4.37*	*3.12*
31- 36 months	*3.85*	*2.77*	*5.14*	*3.70*
37- 48 months	*4.77*	*3.67*	*6.36*	*4.89*
49- 60 months	*5.68*	*4.58*	*7.58*	*6.11*
61- 72 months	*6.60*	*5.50*	*8.80*	*7.34*
73- 84 months	*7.51*	*6.42*	*10.02*	*8.56*
85- 96 months	*8.44*	*7.35*	*11.25*	*9.78*
97-108 months	*9.35*	*8.25*	*12.47*	*11.00*
109-120 months	*10.27*	*9.17*	*13.70*	*12.23*
[1-12 months	$1.67	$ .75	$2.20	$1.00
13-24 months	$2.25	$1.50	$3.00	$2.00
25-36 months	$2.85	$2.25	$3.80	$3.00
37-48 months	$3.45	$3.00	$4.60	$4.00
49-60 months	$4.00	$3.75	$5.40	$5.00]

(b) The foregoing rate standards assume:

1. That the standards set forth above shall be applicable to contracts which may contain a provision excluding or denying a claim for disability, resulting from pre-existing illness, disease or physical condition for which the debtor received medical advice, consultation or treatment during the twelve (12) month period immediately preceding the effective date of the debtor's coverage and which would ordinarily be expected to affect materially the debtor's health during the period of coverage; Provided, however, That after such coverage has been in force for six (6) months (twelve (12) months for contracts of more than three (3) years), this pre-existing exclusion clause shall not operate to deny coverage for any disability commencing thereafter. The contract shall contain no other provision which excludes or restricts liability in the event of disability

caused in a certain specified manner, except provisions excluding or restricting coverage in the event of pregnancy, intentionally self-inflicted injuries, foreign travel or residence, flight in nonscheduled aircraft, war or military service.

2. That coverage is offered to all debtors regardless of age, or to all debtors not older than the applicable age limit which shall be not less than sixty-five (65) at the inception of the indebtedness or sixty-six (66) at the scheduled maturity date of the transaction, provided that each company's right to underwrite risks on an individual basis shall not be restricted by this assumption. Appropriate adjustments may be made with the approval of the commissioner if premium rates are determined according to the age of the insured debtor or by age brackets.

3. Rates for use with forms which are more restrictive in any material respect shall reflect such variations in lower rates. Similarly, forms providing more extensive benefits than set forth above may carry appropriately higher charges.

(5) Statistical reporting. Each insurer writing credit life or credit health insurance within this state shall keep and maintain statistical data of its experience on these kinds of insurance. The insurer shall, on or before May 1 of each year, file with the commissioner its statistical experience data for the year ending December 31 immediately preceding. Such experience shall be reported on forms conforming to those now or hereafter from time to time adopted by the national association of insurance commissioners.

(6) If a group policy has been delivered in this state before June 18, *1980* [1970], or has been or is delivered in another state before or on or after June 18, *1980* [1970], the insurer shall be required to file only the group certificate and notice of proposed insurance delivered or issued for delivery in this state as specified in subsections (2) and (4) of KRS 304.19-070, and such forms shall be approved by the commissioner if they conform with the requirements specified in such subsections and if the schedules of premium rates applicable to the insurance evidenced by such certificate or notice are not in excess of the insurer's schedules of premium rates filed with the commissioner. The premium rate in effect on existing group policies may be continued until the first policy anniversary date following June 18, *1980* [1970]. After June 18, *1980* [1970], no borrower shall be added to an existing group policy at rates higher than those set forth in subsections (3) and (4) of this section.

SECTION 4. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 19 IS CREATED TO READ AS FOLLOWS:

A credit life insurance policy may include a provision excluding or denying a claim for death in the event of suicide within six (6) months (twelve (12) months for contracts of more than three (3) years) after purchase of the policy.

The Committee Substitute to **HB 669** is as follows:

Committee Substitute for **HB 669,** AN ACT relating to credit life and health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.19-010 is amended to read as follows:

All life insurance and all health insurance in connection with loans or other credit transactions shall be subject to the provisions of this subtitle, except *health* [such] insurance in connection with a loan or other credit transaction of more than five (5) years' duration *or life insurance in connection with a loan or other credit transaction of more than ten (10) years' duration*; nor shall insurance be subject to the provisions of this subtitle, where the issuance of such insurance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring debtors of the creditor.

Section 2. KRS 304.19-020 is amended to read as follows:

For the purpose of this subtitle:

(1) "Credit life insurance" means insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction;

(2) "Credit health insurance" means insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy;

(3) "Creditor" means the lender of money or vendor or lessor of goods, services, or property, rights or privileges, for which payment is arranged through a credit transaction, or any successor to the right, title or interest of any such lender, vendor, or lessor, and an affiliate, associate or subsidiary of any of them, or any director, officer or employe of any of them, or any other person in any way associated with any of them;

(4) "Debtor" means a borrower of money or a purchaser or lessee of goods, services, property, rights or privileges for which payment is arranged through a credit transaction;

(5) "Indebtedness" means the total amount payable by a debtor to a creditor in connection with a loan or other credit transaction;

(6) "Joint credit life or credit health" shall mean insurance on the life of the debtor and the spouse of the debtor, partners, or any other legal co-signer.

Section 3. KRS 304.19-080 is amended to read as follows:

(1) All such policies, certificates of insurance, notices of proposed insurance, applications for insurance, indorsements and riders delivered or issued for delivery in this state and the schedule of premium rates pertaining thereto shall be filed with the commissioner.

(2) All life insurance and all health insurance in connection with loans or other credit transactions shall be subject to the provisions of this subtitle, except *health* [such] health insurance in connection with a loan or other credit transaction of more than five (5) years' duration *or life insurance in connection with a loan or other credit transaction of more than ten (10) years' duration*; nor shall insurance be subject to provisions of this subtitle where the issuance of such insurance is an isolated transaction on the part of the insurer not relating to an agreement or a plan for insuring debtors of the creditor; nor shall insurance issued for an amount in excess of *$20,000* [$10,000] be subject to this subtitle.

(3) (a) Credit life insurance. It shall be presumed that premium rates charged or to be charged are not excessive in relation to the benefits if the premium or premium rates as filed with the commissioner do not exceed the following, or actuarially equivalent rates:

1. For decreasing term credit life insurance, a single premium of seventy-five cents (75¢) per annum per $100 of scheduled indebtedness, or ninety cents (90¢) per annum per $100 of scheduled indebtedness if dismemberment benefits are included in the policy.

2. Single premium rates for indebtedness repayable in monthly instalments other than twelve (12) in number shall not exceed one-twelfth (1/12) of the above premium rate multiplied by the number of full months in the scheduled period.

3. A premium payable monthly at the rate of $1.16 per $1,000 of outstanding unpaid insured indebtedness or $1.39 per $1,000 of outstanding unpaid insured indebtedness if dismemberment benefits are included in the policy, will be deemed the actuarial equivalent of the foregoing rates.

4. For level term credit life insurance, a single premium of $1.50 per annum per $100 of indebtedness or $1.80 per $100 of indebtedness if dismemberment benefits are included in the policy.

(b) The foregoing rate standards assume:

1. That the standards set forth above are applicable to a plan of death benefits with or without requirements for evidence of insurability which contain no exclusions except for suicide; other exclusions must receive the approval of the commissioner, and

2. That coverage is offered to all debtors regardless of age; or to all debtors not older than the applicable age limit which shall be not less than sixty-five (65) at the inception of the indebtedness or sixty-six (66) at the scheduled maturity date of the transaction, provided that each company's right to underwrite risks on an individual basis shall not be restricted by this assumption. Appropriate adjustments may be made with the approval of the commissioner if premium rates are determined according to the age of the insured debtor or by age brackets.

3. Rates for use with forms which are more restrictive in any material respect shall reflect such variations in lower rates. Similarly, forms providing more extensive benefits than set forth above may carry appropriately higher charges.

4. That the standards set forth above shall be applicable to contracts which may contain a provision excluding or denying a claim for death, resulting from pre-existing illness, disease or physical condition for which the debtor received medical advice, consultation or treatment during the twelve (12) month period immediately preceding the effective date of the debtor's coverage and which would ordinarily be expected to affect materially the debtor's health during the period of coverage; provided, however, that after such coverage has been in force for six (6) months (twelve (12) months for contracts of more than three (3) years), this pre-existing exclusion clause shall not operate to deny coverage for any death thereafter. The contract shall contain no other provision which excludes or restricts liability in the event of death caused in a certain specified manner, except provisions excluding or restricting coverage in the event of intentionally self inflicted injuries, foreign travel or residence, flight in nonscheduled aircraft, war or military service.

(4) (a) Credit health insurance. It shall be presumed that premium rates charged or to be charged are not excessive in relation to the benefits if the premium or premium rates as filed with the commissioner do not exceed the following, or actuarially equivalent rates:

Single Premium Per $100 of Initial Indebtedness

	Nonrectoactive Basis		Rectoactive Basis	
Number of Monthly Instalments	14-Day Wait	30-Day Wait	14-Day Wait	30-Day Wait
1- 6 months	*$ 1.51*	*$ .69*	*$ 2.02*	*$ .92*

	Nonrectoactive Basis		Rectoactive Basis	
Number of Monthly Instalments	14-Day Wait	30-Day Wait	14-Day Wait	30-Day Wait
7- 12 months	*2.02*	*.91*	*2.69*	*1.22*
13- 19 months	*2.50*	*1.56*	*3.33*	*2.08*
20- 24 months	*2.93*	*1.84*	*3.91*	*2.45*
25- 30 months	*3.28*	*2.34*	*4.37*	*3.12*
31- 36 months	*3.85*	*2.77*	*5.14*	*3.70*
37- 48 months	*4.77*	*3.67*	*6.36*	*4.89*
49- 60 months	*5.68*	*4.58*	*7.58*	*6.11*
61- 72 months	*6.60*	*5.50*	*8.80*	*7.34*
73- 84 months	*7.51*	*6.42*	*10.02*	*8.56*
85- 96 months	*8.44*	*7.35*	*11.25*	*9.78*
97-108 months	*9.35*	*8.25*	*12.47*	*11.00*
109-120 months	*10.27*	*9.17*	*13.70*	*12.23*
[1-12 months	$1.67	$ .75	$2.20	$1.00
13-24 months	$2.25	$1.50	$3.00	$2.00
25-36 months	$2.85	$2.25	$3.80	$3.00
37-48 months	$3.45	$3.00	$4.60	$4.00
49-60 months	$4.00	$3.75	$5.40	$5.00]

(b) The foregoing rate standards assume:

1. That the standards set forth above shall be applicable to contracts which may contain a provision excluding or denying a claim for disability, resulting from pre-existing illness, disease or physical condition for which the debtor received medical advice, consultation or treatment during the twelve (12) month period immediately preceding the effective date of the debtor's coverage and which would ordinarily be expected to affect materially the debtor's health during the period of coverage; Provided, however, That after such coverage has been in force for six (6) months (twelve (12) months for contracts of more than three (3) years), this pre-existing exclusion clause shall not operate to deny coverage for any disability commencing thereafter. The contract shall contain no other provision which excludes or restricts liability in the event of disability caused in a certain specified manner, except provisions excluding or restricting coverage in the event of pregnancy, intentionally self-inflicted injuries, foreign travel or residence, flight in nonscheduled aircraft, war or military service.

2. That coverage is offered to all debtors regardless of age, or to all debtors not older than the applicable age limit which shall be not less than sixty-five (65) at the inception of the indebtedness or sixty-six (66) at the scheduled maturity date of the transaction, provided that each company's right to underwrite risks on an individual basis shall not be restricted by this assumption. Appropriate adjustments may be made with the approval of the commissioner if premium rates are determined according to the age of the insured debtor or by age brackets.

3. Rates for use with forms which are more restrictive in any material respect shall reflect such variations in lower rates. Similarly, forms providing more extensive benefits than set forth above may carry appropriately higher charges.

(5) Statistical reporting. Each insurer writing credit life or credit health insurance within this state shall keep and maintain statistical data of its experience on these kinds of insurance. The insurer shall, on or before May 1 of each year, file with the commissioner its statistical experience data for the year ending December 31 immediately preceding. Such experience shall be reported on forms conforming to those now or hereafter from time to time adopted by the national association of insurance commissioners.

(6) If a group policy has been delivered in this state before June 18, *1980* [1970], or has been or is delivered in another state before or on or after June 18, *1980* [1970], the insurer shall be required to file only the group certificate and notice of proposed insurance delivered or issued for delivery in this state as specified in subsections (2) and (4) of KRS 304.19-070, and such forms shall be approved by the commissioner if they conform with the requirements specified in such subsections and if the schedules of premium rates applicable to the insurance evidenced by such certificate or notice are not in excess of the insurer's schedules of premium rates filed with the commissioner. The premium rate in effect on existing group policies may be continued until the first policy anniversary date following June 18, *1980* [1970]. After June 18, *1980* [1970], no borrower shall be added to an existing group policy at rates higher than those set forth in subsections (3) and (4) of this section.

SECTION 4. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 19 IS CREATED TO READ AS FOLLOWS:

A credit life insurance policy may include a provision excluding or denying a claim for death in the event of suicide within six (6) months (twelve (12) months for contracts of more than three (3) years) after purchase of the policy.

Calendar

HB 576, HB 539, HB 543, HB 593, HB 598, HB 200, HB 306, HB 448, HB 449, HB 580, SB 118, SB 119, HB 165, HB 459, HB 500, HB 114, HB 430, and **HB 544** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 265, as amended by Floor Amendments 1, 2, and 3, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Isler moved that the vote on Floor Amendment No. 2 to **HB 265** be reconsidered.

On the roll call the vote was yeas 73-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Head, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, May, Maynard, McBee, McKinney, Moberly, Morris, Overstreet, Pearman, Petty, Plummer, Rapier, Richards, B. Richardson, Riner, Romines, Sale, Schmidt, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 2-Burch, O'Brien.

The motion that the vote on Floor Amendment No. 2 to **HB 265** be reconsidered was adopted.

Representative Kidd moved that **HB 265,** as amended, be passed.

On the roll call the vote was yeas 55-Allen, Bennett, Blair, Blythe, Brinkley, Bronger, Brown, Burnette, Cawood, Clapp, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Fryman, Gray, Guenthner, Head, Hines, Isler, Kenton, Kidd, Layman, Little, Lundergan, Mann, Maynard, McBee, McKinney, Moberly, Overstreet, Petty, Plummer, B. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Williams, Wright. Nays 25-Adams, Arnold, Bendl, Boswell, Bruce, Caldwell, Clark, Clarke, Craddock, Foster, Freibert, Hancock, Holbrook, Holloway, Johnson, LeMaster, List, McNutt, Morris, O'Brien, Pearman, Rapier, Richards, Thomas, Tobin.

HB 265, as amended, was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 265,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 415, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riner moved the adoption of the Floor Amendment No. 3 to **HB 415.** Agreed.

Representative Riner moved the adoption of the Floor Amendment No. 1 to **HB 415.** Agreed.

Representative Riner moved that **HB 415,** as amended, be passed.

On the roll call the vote was yeas 60-Adams, Allen, Arnold, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Crupper, Curd, Cyrus, Dawahare, DeFalaise, DeMarcus, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Maynard, Moberly, Morris, O'Brien, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright. Nays 22-Bendl, Blair, Cawood, Clarke, Craddock, Davenport, Deskins, Donnermeyer, Gray, Jones, Layman, LeMaster, List, McBee, McKinney, McNutt, Noe, Overstreet, Pearman, Thomas, Tobin, White.

HB 415, as amended, was passed and the title agreed to.

Representative Riner moved that the vote by which **HB 415,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 491, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved the adoption of the Floor Amendment No. 2 to **HB 491.**

On the roll call the vote was yeas 51-Adams, Arnold, Barrows, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Foster, Fryman, Gray, Head, Hines, Isler, Johnson, Kidd, Little, Mann, May, McNutt, Moberly, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Richards, B. Richardson, Romines, Stone, Stumbo, Tobin, Van Horn, Weinberg, Wilborn, Williams, Yates. Nays 23-Blair, Blythe, Bruce, Caldwell, DeFalaise, Farrow, Freibert, Guenthner, Hancock, Holbrook, Holloway, Jones, Kenton, Maynard, McBee, Morris, Noe, Schmidt, Smith, Thomason, Turner, White, Worthington.

Floor Amendment No. 2 to **HB 491** was adopted.

Representative Morris moved the adoption of the Floor Amendment No. 1 to **HB 491.**

On the roll call the vote was yeas 46-Allen, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Bruce, Caldwell, Clarke, Crupper, Curd, DeFalaise, DeMarcus, Deskins, Farrow, Freibert, Guenthner, Haering, Hancock, Heleringer, Holbrook, Holloway, Jones, Layman, LeMaster, List, Little, McBee, Morris, Nett, Noe, O'Brien, Patrick, Plummer, Rapier, Rattliff, Riner, Sale, Schmidt, Thomas, Thomason, Tobin, Turner, White, Wright. Nays 44-Adams, Bennett, Boswell, Bronger, Brown, Burch, Burnette, Cawood, Clark, Craddock, Cyrus, Davenport, Donnermeyer, Dunn, Ellington, Foster, Fryman, Gray, Head, Hines, Isler, Johnson, Kenton, Kidd, Mann, May, Maynard, McKinney, McNutt, Moberly, Overstreet, Pearman, Petty, Priddy, B. Richardson, Robinson, Romines, Stone, Stumbo, Van Horn, Weinberg, Wilborn, Williams, Yates.

Floor Amendment No. 1 to **HB 491** was adopted.

Representative Gray moved that **HB 491,** as amended, be passed.

On the roll call the vote was yeas 81-Adams, Allen, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, DeMarcus, Donnermeyer, Ellington, Foster, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 10-Barrows, Blythe, Bruce, Caldwell, DeFalaise, Deskins, Farrow, Guenthner, Hancock, Holloway.

HB 491, as amended, was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 491,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 472, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 472** be passed.

On the roll call the vote was yeas 85-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Burch, Burnette, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 472 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 472** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 513 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved that **HB 513** be passed.

On the roll call the vote was yeas 71-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Burch, Cawood, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, May, McBee, McNutt, Moberly, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Van Horn, Wilborn, Worthington, Wright, Yates. Nays 15-Allen, Bruce, Craddock, Ellington, Fryman, Haering, Maynard, Morris, Overstreet, Patrick, Rattliff, Robinson, Tobin, Turner, White.

HB 513 was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 513** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 105, with Committee Substitutes attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Foster moved the adoption of the Second Committee Substitute to **HB 105.** Agreed.

Representative Foster moved that **HB 105,** by way of Second Committee Substitute, be passed.

On the roll call the vote was yeas 85-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, McBee, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 105, by way of Second Committee Substitute, was passed and the title agreed to.

Representative Foster moved that the vote by which **HB 105,** by way of Second Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 144, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved the adoption of the Committee Substitute to **HB 144.** Agreed.

Representative Weinberg moved that the Floor Amendment No. 1 to the Committee Substitute to **HB 144** be adopted. Agreed.

Representative Weinberg moved that **HB 144,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 88-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Van Horn.

HB 144, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Weinberg moved that the vote by which **HB 144,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 438 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved that **HB 438** be passed.

On the roll call the vote was yeas 88-Adams, Allen, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 438 was passed and the title agreed to.

Representative List moved that the vote by which **HB 438** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Pro Tempore Hancock assumed the Chair.

HB 439, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of the Committee Amendment No. 1 to **HB 439.** Agreed.

Representative Holbrook moved that **HB 439,** as amended, be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Brown.

HB 439, as amended, was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 439**, as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 498, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of Floor Amendment No. 1 to **HB 498**. Agreed.

Representative Holbrook moved the adoption of Floor Amendment No. 2 to **HB 498**. Agreed.

Representative Petty moved that **HB 498**, as amended, be passed.

On the roll call the vote was yeas 77-Adams, Arnold, Bandl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Mann, May, Maynard, Moberly, Morris, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 10-Allen, DeMarcus, Ellington, Farrow, Fryman, McBee, McNutt, Overstreet, Stumbo, Worthington.

HB 498, as amended, was passed and the title agreed to.

Representative Petty moved that the vote by which **HB 498**, as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 516 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved that **HB 516** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 516 was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 516** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 538 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved that **HB 538** be passed.

On the roll call the vote was yeas 81-Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 9-Adams, Clarke, DeFalaise, DeMarcus, Ellington, Freibert, Fryman, Haering, List.

HB 538 was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 538** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 7 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **SB 7** be passed.

On the roll call the vote was yeas 69-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Bronger, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Noe, O'Brien, Pearman, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 16-Allen, Blair, Brown, Burch, Caldwell, DeFalaise, DeMarcus, Deskins, Fryman, Guenthner, Haering, Layman, McNutt, Nett, Overstreet, Priddy.

SB 7 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **SB 7** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Recess

Representative B. Richardson moved that the House recess for fifteen minutes for democratic caucus. Agreed.

At the appointed hour, the Speaker Pro Tempore resumed the Chair.

SB 109 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kidd moved that **SB 109** be passed.

On the roll call the vote was yeas 81-Adams, Allen, Barrows, Bendl, Bennett, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Isler, Jones, Kidd, Layman, LeMaster, List, Little, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

SB 109 was passed and the title agreed to.

Representative Kidd moved that the vote by which **SB 109** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Kenton presiding.

HB 83, with Senate Amendments attached thereto, taken from Orders of the Day. Representative B. Richardson moved the reading and consideration of the Senate Amendments thereto. Agreed.

Representative List moved that the House concur in the following Senate Amendment No. 1 to **HB 83:**

Amend printed copy of **HB 83** as follows: page 2, line 15, after the word "which" insert the word "and"

Page 2, line 16, delete the word "completed" and insert in lieu thereof the word "computed"

Page 18, line 26, delete all the words on line 26

Page 2, line 2, delete the words "July 1" and insert in lieu thereof the words "the date due and payable"

Page 2, line 26, delete the words "on the" and insert in lieu thereof the words "six (6) calendar months from the date due and payable"

Agreed.

Representative List moved that the House concur in the following Senate Amendment No. 2 to **HB 83:**

Amend printed copy of **HB 83** as follows: page 3, line 1, delete the words "first day of January"

Agreed.

Representative List moved that **HB 83,** as amended by the Senate, be passed.

On the roll call the vote was yeas 71-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Isler, Jones, Kidd, List, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 11-Allen, Caldwell, DeFalaise, Ellington, Fryman, Layman, Rattliff, Romines, Schmidt, Tobin, Van Horn.

HB 83, as amended by the Senate, was passed and the title agreed to.

Representative List moved that the vote by which **HB 83,** as amended by the Senate, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 134, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved the reading and consideration of the Senate Amendment thereto. Agreed.

Representative Bennett moved that the House refuse to concur in the following Senate Amendment to **HB 134:**

Amend printed copy of **HB 134** as follows: Page 1, line 11, by deleting "*or presiding officer*"

On the roll call the vote was yeas 75-Adams, Arnold, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, McKinney, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 12-Allen, Barrows, Blythe, Fryman, Heleringer, May, McNutt, Morris, Pearman, Rattliff, B. Richardson, Tobin.

The motion that the House refuse to concur in the Senate Amendment to **HB 134** was adopted.

HB 42, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved the reading and consideration of the Senate Amendment thereto. Agreed.

Representative Holbrook moved that the House concur in the following Senate Amendment to **HB 42:**

Amend printed copy of **HB 42** as follows: Page 1, line 3, after the word "are" insert "minor"

Agreed.

Representative Holbrook moved that **HB 42,** as amended by the Senate, be passed.

Amend printed copy of **HB 42** as follows: Page 1, line 3, after the word "are" insert "minor"

Agreed.

Representative Holbrook moved that **HB 42,** as amended by the Senate, be passed.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blythe, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 2-Boswell, Hancock.

HB 42, as amended by the Senate, was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 42,** as amended by the Senate, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 150, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved the reading and consideration of the Senate Amendment thereto. Agreed.

Representative Weinberg moved that the House refuse to concur in the following Senate Amendment to **HB 150:**

Amend printed copy of **HB 150** as follows: Page 2, line 3, by inserting the following after the word "*Jefferson*" "*or in any institution serving a medically underserved community as designated by the United States department of health, education and welfare,*"

On the roll call the vote was yeas 81-Adams, Arnold, Barrows, Bendl, Bennett, Blythe, Boswell, Brinkley, Bruce, Burnette, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holloway, Isler, Johnson, Kenton, Layman, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Caldwell.

The motion that the House refuse to concur in the following Senate Amendment to **HB 150** was adopted.

HB 122, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved the reading and consideration of the Senate Amendment thereto. Agreed.

Representative Thomason moved that the House refuse to concur in the following Senate Amendment to **HB 122:**

Amend printed copy of **HB 122** as follows: page 1, lines 6 and 7, delete the words "property damage or personal injury claims" and insert in lieu thereof the words "any claim other than that listed on the face of the check or draft"

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

The motion that the House refuse to concur in the Senate Amendment to **HB 122** was adopted.

HB 103, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved the reading and consideration of the Senate Amendment thereto. Agreed.

Representative Foster moved that the House concur in the following Senate Amendment to **HB 103:**

Amend printed copy of **HB 103** as follows: page 1, line 21, by adding: "This section shall in no way preclude the right of any court of law, law enforcement officer, or attorney representing the individual affected from securing full and complete information concerning the record of that individual."

On the roll call the vote was yeas 47-Adams, Barrows, Blythe, Brinkley, Bruce, Burch, Caldwell, Cawood, Clapp, Clarke, Craddock, Davenport, DeFalaise, Dunn, Ellington, Farrow, Foster, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, Little, May, McKinney, McNutt, Morris, Noe, Overstreet, Priddy, Rattliff, Richards, B. Richardson, Riner, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Weinberg, Wilborn. Nays 44-Allen, Arnold, Bennett, Blandford, Boswell, Bronger, Clark, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Jones, Layman, List, Lundergan, Mann, McBee, Moberly, Nett, O'Brien, Patrick, Pearman, Plummer, Rapier, P. Richardson, Robinson, Smith, Tobin, Van Horn, White, Williams, Worthington, Wright, Yates.

The motion that the House concur in the Senate Amendment to **HB 103** was adopted.

Representative Foster moved that **HB 103,** as amended by the Senate, be passed.

On the roll call the vote was yeas 66-Adams, Barrows, Bennett, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Dunn, Ellington, Farrow, Foster, Freibert, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Little, May, McKinney, Moberly, Morris, Nett, Noe, Overstreet, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Stone, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 22-Allen, Arnold, Cyrus, Deskins, Donnermeyer, Fryman, Gray, Layman, Lundergan, Mann, McBee, O'Brien, Patrick, Pearman, Petty, Plummer, Rapier, Robinson, Smith, Stumbo, Tobin, Worthington.

HB 103, as amended by the Senate, was passed and the title agreed to.

Representative Foster moved that the vote by which **HB 103,** as amended by the Senate, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 4, with Senate Amendments attached thereto, taken from Orders of the Day. Representative B. Richardson moved the reading and consideration of Senate Amendment No. 2 to **HCR 4.** Agreed.

Representative Worthington moved that the House refuse to concur in the following Senate Amendment No. 2 to **HCR 4:**

Amend printed copy of **HCR 4** as follows: page 3, line 15, by changing the figure "$20,000" to "$50,000"

On the roll call the vote was yeas 81-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McKinney, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright. Nays 1-Tobin.

The motion that the House refuse to concur in Senate Amendment No. 2 to **HCR 4** was adopted.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 91** and **HB 179** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Speaker Pro Tempore presiding.

Senate Message

Announcing passage of **SB 27** and **HB 402.**

Motions, Petitions, and Communications

Representative Little moved that **HB 641** be returned to the Committee on Committees for reassignment.

On the roll call the vote was yeas 41-Allen, Arnold, Barrows, Bennett, Blandford, Blythe, Boswell, Brown, Bruce, Burnette, Caldwell, Crupper, Curd, Davenport, Dawahare, Dunn, Farrow, Fryman, Gray, Head, Heleringer, Hines, Isler, Little, Lundergan, Mann, McKinney, Moberly, Nett, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Smith, Van Horn, Williams, Worthington. Nays 2-Guenthner, Turner.

The motion that **HB 641** be returned to the Committee on Committees for reassignment was adopted.

Representative Gray moved that **HB 182** be reconsidered and placed in Orders of the Day.

On the roll call the vote was yeas 37-Barrows, Bendl, Blandford, Bronger, Caldwell, Crupper, Curd, Davenport, Donnermeyer, Dunn, Gray, Heleringer, Hines, Holbrook, Isler, Jones, LeMaster, List, Little, Lundergan, Mann, McBee, Moberly, Nett, Noe, Petty, Priddy, Rapier, P. Richardson, Schmidt, Smith, Stumbo, Thomas, Thomason, Wilborn, Williams, Worthington. Nays 22-Adams, Allen, Boswell, Bruce, Burnette, Clark, Dawahare, Ellington, Farrow, Fryman, Haering, Head, Johnson, McKinney, Morris, Overstreet, Rattliff, Riner, Robinson, Stone, Van Horn, Wright.

The motion that **HB 182** be reconsidered and placed in Orders of the Day was adopted.

Representative Heleringer moved that his name be withdrawn as a co-sponsor of **HB 349.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Caldwell, **HB 793;** Representative Clark, **HB 793;** Representative Donnermeyer, **HB 209, HB 183, HB 184, HB 539, HB 793;** Representative Foster, **HB 532;** Representative Fryman, **HB 469, HB 570;** Representative Hancock, **HB 565, HB 574;** Representative May, **HB 433, HB 436, HB 835;** Representative Plummer, **HB 624;** Representative Schmidt, **HB 793, HB 829.**

Representative P. Richardson moved the adoption of the following Legislative Citation No. 43:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Frankfort High School Band and your excellent Director, Miss Cindy Thurman, for your outstanding performance in the Mardi Gras Parade in New Orleans, February 9-10 and your participation in the Governor's Gold Cup Contest in Elizabethtown, Kentucky. You have earned an enviable reputation and distinguished yourselves by your tireless efforts, personal sacrifices and dedication that resulted in superior and excellent ratings. Cultural and musical appreciation has been enhanced by your willingness to participate in dedicatory ceremonies and other civic programs. Your repertoire is most admirable and complimentary accompanied by inspirational renditions. Director Thurman, your leadership of six years with the Frankfort High School Band and chorus merits ultimate commendation. Each of you has brought pride and honor to your schools and warmed the hearts of all Kentuckians with your music appreciation. This body extends to you our thanks and best wishes. (Sponsored by Representative Hancock)

Agreed.

Representative Arnold moved the adoption of the following Legislative Citation No. 44:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Barney Arnold, a vibrant and indispensable voice of WHAS Radio and Television for your far-reaching and productive contribution to the agriculture industry of the Commonwealth of Kentucky. Eager and faithful listeners have been rewarded by your travels throughout Kentucky as you shared generously of your knowledge, time, resources and experience for which we are justly proud and sincerely grateful. You have warmed the hearts of thousands of Kentuckians by your constant devotion to duty and by improving the lives of others. We salute you and may your years of retirement be blessed with continuous love and enjoyment of God's great out-of-doors. (Sponsored by Representative Arnold)

Agreed.

Representative Richards moved the adoption of the following Legislative Citation No. 45:

The House of Representatives of the Commonwealth of Kentucky commends the members of the Pi Kappa Alpha Fraternity at Western Kentucky University for their unselfish hours contributed to the Salvation Army, Big Brothers of Kentucky and the Cystic Fibrosis Foundation. Your deep compassion, concern and love for others are manifested in your work. We salute you for your leadership has been demonstrated admirably by your services to education and civic endeavors. (Sponsored by Representative Richards)

Agreed.

Representative Guenthner moved that **HB 602** be withdrawn.

On the roll call the vote was yeas 27-Allen, Arnold, Blythe, Boswell, Brinkley, Brown, Bruce, Clark, Craddock, Crupper, Dunn, Farrow, Foster, Freibert, Guenthner, Haering, Holbrook, Isler, LeMaster, May, Overstreet, Plummer, Rapier, P. Richardson, Stone, Turner, Van Horn. Nays 6-Bennett, Fryman, Holloway, Little, Priddy, Williams.

The motion that **HB 602** be withdrawn was adopted.

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to **HJR 40,** by Representative Dawahare, is as follows:

Amend printed copy of **HJR 40,** page 2, following line 4, by adding the following after the word "statute." "*Provided, however, if a school building is destroyed or unusable for any reason in an emergency situation, the school building authority is authorized to assist that district to the extent necessary to provide adequate space for conducting classes.*"

Floor Amendment No. 2 to **HJR 40,** by Representative Smith, is as follows:

Amend printed copy of **HJR 40,** page 2, by deleting lines 1 through 4

Floor Amendment No. 3 to **HJR 40,** by Representative Weinberg, is as follows:

Amend printed copy of **HJR 40,** page 2, line 1, before the word "That" insert "Section 2."

page 2, after line 4, insert "Section 2. That the school building authority shall make provisions in its operating procedures and in its formulas for establishing project priorities, to give immediate priority to school districts which have:

(a) Suffered a loss of physical facilities as a result of fire, natural disasters or other causes;

(b) Insufficient insurance coverage on such facility to replace the loss; and

(c) Insufficient resources to meet its immediate capital outlay needs and is bonded to practical capacity as determined by an investigation of the superintendent of public instruction and the school building authority."

Floor Amendment No. 1 to **HB 119,** by Representative Arnold, is as follows:

Amend printed copy of **HB 119,** page 1, line 12, add the following:

"(3) Designation of a farm as a Kentucky heritage farm under this Act shall not restrict the sale, alteration, use, or the exercise of any other right of ownership."

Floor Amendment No. 2 to **HB 418,** by Representative Van Horn, is as follows:

Amend printed copy of **HB 418,** page 1, line 13, by adding after the word "convicted" the following:

"*, unless the trial court, having regard to the nature and circumstances of the crime and to the history and character of the defendant, is of the opinion that such ineligibility for probation, shock probation, or conditional discharge would be unduly harsh, the court may then, within its discretion, place him on probation if there is a finding that he is in need of the supervision, guidance, assistance, or direction that the probation service can provide*".

Floor Amendment No. 3 to **HB 418,** by Representative Williams, is as follows:

Amend printed copy of **HB 418,** page 2, line 10, by adding following said line the following:

"Section 2. KRS 532.070 is amended to read as follows:

(1) When a sentence of imprisonment for a felony is fixed by a jury pursuant to KRS 532.060 and the trial court, having regard to the nature and circumstances of the crime and to the history and character of the defendant, is of the opinion that a sentence of imprisonment is necessary but that the maximum term fixed by the jury is unduly harsh, the court, *within its discretion,* may modify that sentence and fix a maximum term within the limits provided in KRS 532.060 for the offense for which the defendant presently stands convicted *or, if circumstances dictate, within the range of any appropriate lesser included offenses.*

(2) When a sentence of imprisonment for a Class D felony is fixed by a jury pursuant to KRS 532.060 and the trial court, having regard to the nature and circumstances of the crime and to the history and character of the defendant, is of the opinion that a sentence of imprisonment is necessary but that it would be unduly harsh to impose such a sentence, the court may sentence the defendant to a definite term of imprisonment in a county or a regional correctional institution for a term of one year or less.

(3) When a defendant foregoes a trial by jury and the Court accepts a plea of guilty to a felony charge, the trial court may, within its discretion and having regard to the nature and circumstances of the crime and to the history and character of the defendant, fix the penalty of such plea of guilty within the range allowed for the crime charged or that of any lesser included offenses."

Floor Amendment No. 4 to **HB 418,** by Representative Williams, is as follows:

Amend printed copy of **HB 418,** page 2, line 10, by inserting following said line the following:

"Section 2. KRS 431.220 is amended to read as follows:

Every death sentence shall be executed by *intravenous injection of a substance or substances in a lethal quantity sufficient to cause death and* [causing to pass through the body of the condemned a current of electricity of sufficient intensity to cause death as quickly as possible.] the application of the *procedure* [current] shall be continued until the condemned is dead. All executions of the death penalty [by electrocution] shall take place within the walls of the state penal institution designated by the bureau of corrections, and in such enclosure as will exclude public view thereof. *The substance or substances to be used and the procedure for their administration shall be determined and supervised by the commissioner of the bureau of corrections.*

Section 3. KRS 431.240 is amended to read as follows:

(1) Unless the execution is stayed by due process of law or under authority of subsection (2) of this section, the superintendent of the penitentiary or his deputy shall proceed, on the day and at the place named in the judgment of conviction, to cause the condemned person to be *executed* [electrocuted]. The execution shall take place before sunrise on the day designated in the judgment.

(2) If the condemned person is insane or pregnant with child on the day designated for the execution, the execution shall be suspended until the condemned is restored to sanity or is delivered of child. The execution shall then take place under the warrant of the governor and at the time designated by him, unless stayed by due process of law. If execution is suspended on the ground of insanity, the commissioner of corrections may, after an examination as provided in KRS Chapter 202A, transfer the condemned person to one of the state institutions for the treatment of the mentally afflicted, until such time as he is restored to sanity.

(3) If the condemned person escapes from custody and is recaptured after the expiration of the date fixed for the execution, the governor, upon receiving written notice of the recapture from the superintendent of the penitentiary, shall send his warrant of execution to the superintendent by special messenger and shall name therein the day of execution. The superintendent shall then proceed to the execution thereof according to the provisions of KRS 431.215 to 431.270.

(4) Whenever a judgment of death has not been executed on the day appointed therefor by the court, from any cause whatever, the governor, by a warrant under his hand and the seal of the Commonwealth, shall fix the day of the execution, which warrant shall be obeyed by the superintendent of the penitentiary.

Section 4. KRS 431.250 is amended to read as follows:

The following persons, and no others, may attend an execution: The *executioner* [electrician] and the superintendent of the penitentiary and his deputy or deputies and guards; the sheriff of the county in which the condemned was convicted; the commissioner of corrections and representatives of the bureau of corrections designated by him; the physician and chaplain of the penitentiary; a clergyman and three other persons selected by the condemned; one representative of every newspaper published in the county in which the condemned was convicted, and one representative of every daily newspaper published in the state."

Floor Amendment No. 1 to **HB 792,** by Representative Burnette, is as follows:

Amend printed copy of **HB 792,** page 6, line 1, after the word "notify" by inserting the word "*weekly*".

Floor Amendment No. 1 to **SB 76,** by Representative Turner, is as follows:

Amend printed copy of **SB 76,** page 1, line 6, by inserting after "However," the following language: "this section shall apply only to garbage waste from food prepared for the purpose of human consumption and which has been imported on in-bound air flights into Kentucky and"

Floor Amendment No. 1 to **SB 140,** by Representative Weinberg, is as follows:

Amend printed copy of **SB 140,** page 1, line 13, place brackets around the date [September 1] and insert the date "*December 31*" in lieu thereof.

Page 1, line 17, place brackets around the date [September 1] and insert the date "*December 31*" in lieu thereof.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (continued)

HB 866, by Representative Nett: AN ACT relating to library and archival theft.

HB 867, by Representative B. Richardson: AN ACT relating to statutory liens.

HB 868, by Representatives Haering, Jones and Caldwell: AN ACT relating to real estate brokers and salesman.

HB 869, by Representative Deskins: AN ACT relating to miscellaneous civil practice provisions.

HB 870, by Representatives Nett and Dunn: AN ACT relating to liens.

HB 871, by Representative DeFalaise: AN ACT relating to taxation.

HB 872, by Representative DeFalaise: AN ACT relating to revenue and taxation.

HB 873, by Representatives Moberly and Williams: AN ACT relating to the execution of persons sentenced to death.

HB 874, by Representatives Bronger, P. Richardson, DeFalaise, Gray, Donnermeyer, Blythe, Isler and Foster: AN ACT relating to insurance.

HB 875, by Representatives Hines, Burch, Priddy, Holloway, Clark, Williams and Dunn: AN ACT relating to police and fire fighter retirement in cities of the first class.

HB 876, by Representative Noe: AN ACT relating to state personnel.

HB 877, by Representative Nett: AN ACT relating to libraries and archives.

HB 878, by Representative O'Brien: AN ACT relating to procurement.

HB 879, by Representative Dawahare: AN ACT relating to state representative districts.

HB 880, by Representative Lundergan: AN ACT relating to motor vehicles.

HB 881, by Representatives Thomas and Hancock: AN ACT relating to motor vehicles.

HB 882, by Representative Little: AN ACT relating to coal severance tax.

HB 883, by Representatives Caldwell and Stumbo: AN ACT relating to littering.

HB 884, by Representative Caldwell: AN ACT relating to the defense and indemnification of state employees.

HB 885, by Representative Hancock: AN ACT relating to retirement contributions.

HB 886, by Representative McBee: AN ACT relating to credit life and health insurance.

HB 887, by Representative Donnermeyer: AN ACT relating to state purchasing.

HB 888, by Representative Dawahare: AN ACT relating to the Kentucky Housing Corporation.

HB 889, by Representatives Riner and Clark: AN ACT relating to the teaching of scientific creationism.

HB 890, by Representatives B. Richardson and LeMaster: AN ACT relating to the court of justice and statutes relating thereto.

HB 891, by Representatives Cawood, Kenton, Clarke, Wilborn, Weinberg, Worthington and Brinkley: AN ACT relating to the legislative research commission.

HB 892, by Representative Hancock: AN ACT relating to precious metals dealers.

HB 893, by Representative Ellington: AN ACT relating to medical information.

HB 894, by Representatives Blythe, Lundergan, and Holbrook: AN ACT relating to industrial loan corporations.

HB 895, by Representative Barrows: AN ACT relating to constitutional amendments.

HB 896, by Representative Barrows: AN ACT relating to acts of the General Assembly.

HB 897, by Representative Little: AN ACT relating to higher education

HB 898, by Representatives Haering, Dunn, Yates, Priddy, Bennett, Romines, Wright and Riner: AN ACT relating to pollution control.

HB 899, by Representatives Hancock, White, Foster, Burnette and Crupper: AN ACT relating to electric utilities.

HB 900, by Representative Blythe: AN ACT relating to retirement benefits for full-time commonwealth's attorneys.

HJR 97, by Representative Richards: A JOINT RESOLUTION directing the governor to establish a task force on the promotion on Kentucky.

HJR 98, by Representative Thomas: A JOINT RESOLUTION directing the Council on Higher Education to study procedures for granting tenure to teachers in the universities of the Commonwealth.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Appropriations and Revenue: **HB 542, HB 651.**

Transportation: **HB 565, HB 706, HB 735, HB 767, SB 1.**

Natural Resources and Environment: **HB 752, HB 753, HB 754.**

Banking and Insurance: **HB 733, HB 788.**

Cities: **HB 750, HB 722, HB 741.**

State Government: **HB 717, HB 29, HB 526, HB 796, HB 631.**

Education: **HB 766, HB 819.**

Elections and Constitutional Amendments: **HB 614, SB 33.**

Health and Welfare: **HB 755, SB 58, HB 787, HB 709.**

Natural Resources and Environment: **HB 675.**

Report of Committees (continued)

The Committee on Education reported **HB 395,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 395, AN ACT relating to the common school foundation program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the superintendent of public instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for exceptional children, classroom units for kindergarten, classroom units for superintendents, administrative and special instructional services, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) In allotting classroom units for elementary and secondary schools, one (1) classroom unit shall be included for each *twenty (20)* [twenty-seven (27)] pupils in average daily attendance in grades one (1) through *three (3) and for each thirty (30) pupils in average daily attendance in grades four (4) through* twelve (12); provided, however, that one (1) classroom unit shall be included for each isolated one-teacher school with twelve (12) or more pupils in average daily attendance and one (1) unit shall be included for each *twenty (20)* [twenty-five (25)] pupils in average daily attendance at all other isolated schools. The allotments of classroom units in this subsection shall be made on the average daily attendance for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions: (a) an average daily attendance of six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 shall be deducted for each vocational unit allotted and (b) an average daily attendance of five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 shall be deducted for each exceptional children's unit allotted. If a local school district through its admission and release committee determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, then the school district shall count this as average daily attendance in a public school the time that such child is in attendance at such private school or agency.

(3) *In grades one (1) through three (3), no classroom shall exceed twenty-five (25) pupils in membership and in grades four (4) through twelve (12) no classroom shall exceed thirty-five (35) pupils in membership except upon petition to the state board for elementary and secondary education by a school district board of education. The state board for elementary and secondary education, upon recommendation of the superintendent of public instruction, shall promulgate regulations to carry out the provisions of this subsection.*

(4) Allotments of classroom units except those allotted in accordance with subsection *(5)*[(4)] of this section, shall be increased when the average daily attendance in grades one (1) through twelve (12) in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district in grades one (1) through twelve (12) for the first two (2) months of the previous school year. The total number of classroom units allotted the district shall be increased by the percent of increase.

(5)[(4)] If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the number of classroom units allotted the district, except those allotted in accordance with subsection *(4)*[(3)] of this section, for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(6)[(5)] In allotting classroom units for vocational education, one (1) classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the state plan of vocational education as approved by the state board for occupational education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach part-time or short unit classes for less than a school day or a school year that meet the regulations of the state plan of vocational education as approved by the state board for occupational education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(7)[(6)] In allotting classroom units for exceptional children, one (1) classroom unit shall be included upon the employment of each teacher approved to teach such children in accordance with the provisions of law and Kentucky administrative regulations of the state board for elementary and secondary education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(8)[(7)] (a) In allotting classroom units for administrative and special instructional services, the total number of classroom units allotted in subsections (2) and *(11)*[(10)] plus subsections *(6)*[(5)] and *(7)*[(6)] before July 1, 1976 shall be divided by eight (8) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(b) The total number of units allotted under subsection *(6)*[(5)] beyond those allotted in the school year 1975-76 times six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 average daily attendance plus the total number of units allotted under subsection *(7)*[(6)] beyond those allotted in the school year 1975-76 times five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 average daily attendance shall be divided by two hundred and sixteen (216) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(c) The total of subsection (a) plus subsection (b) shall be the number of classroom units allotted the district for administrative and special instructional services as authorized by Kentucky administrative regulations of the state board for elementary and secondary education.

(9)[(8)] In allotting classroom units for supervisors of instruction, one-half (½) of a classroom unit shall be allotted each district which is allotted twenty-five (25) through forty-nine and nine-tenths (49.9) classroom units under subsections (2), *(6)*[(5)], *(7)*[(6)] and *(11)*[(10)]; one (1) unit shall be allotted eah district which is allotted fifty (50) to one hundred (100) classroom units, one unit shall be allotted for each one hundred (100) classroom units, or major fraction thereof, in districts allotted more than one hundred (100) classroom units under these subsections.

(10)[(9)] In allotting classroom units for directors of pupil personnel, one (1) classroom unit shall be allotted each district which is allotted thirty-six (36) to one hundred and sixty-five and nine-tenths (165.9) classroom units under subsection (2) and a unit for each additional two hundred and sixty-six (266) classroom units or fraction thereof allotted under subsection (2). For districts having fewer than thirty-six (36) classroom units, a proportionate fraction of a classroom unit shall be allotted.

(11)[(10)] In allotting classroom units for the kindergarten, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, may allot units for kindergarten. *No classroom shall exceed twenty (20) pupils in membership except upon petition to the state board for elementary and secondary education by a school district board of education. The state board for elementary and secondary education, upon recommendation of the state superintendent of public instruction, shall promulgate regulations to carry out the provisions of this subsection.* The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(12)[(11)] In allotting classroom units for superintendent, one unit shall be allotted each school district.

Section 2. KRS 157.390 is amended to read as follows:

(1) (a) The superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, shall classify teachers in rank as follows:

Rank I. Those holding regular certificates and who have a master's degree in a subject field approved by the state board for elementary and secondary education or equivalent preparation and who have earned thirty (30) semester hours of approved graduate work or its equivalent, and those teachers who, as of September 1, 1962, were included in Rank I, having earned twenty-four (24) semester hours of additional approved graduate work.

Rank II. Those holding regular certificates and who have a master's degree in a subject field approved by the state board for elementary and secondary education or equivalent preparation.

Rank III. Those holding regular certificates and who have an approved four-year college degree or the equivalent.

Rank IV. Those holding certificates and who have ninety-six (96) to one hundred twenty-eight (128) semester hours of approved college training or the equivalent; provided, however, that persons holding emergency certificates shall not be classified higher than this rank for calculation of the amount to be included in the foundation program.

Rank V. Those holding certificates and who have sixty-four (64) to ninety-five (95) semester hours of approved college training or the equivalent.

(b) In determining ranks, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, shall classify teachers who hold valid certificates in the respective ranks according to approved college semester hours of credit. The superintendent of public instruction, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(c) Nothing in this subsection shall allow the state board for elementary and secondary education by regulation to reclassify downward any teachers currently in Ranks I or II.

(2) (a) The amount to be included in each school year in the foundation program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the biennial budget schedule for each rank and experience for a term of one hundred eighty-five (185) days. Provided, the amount to be included for units allotted under KRS 157.360*(6)*[(5)], [(7),] (8), (9), *(10)* and *(12)*[(11)] shall be increased proportionately if the personnel for such units are employed for longer than the regular school term and such employment is approved by the superintendent of public instruction under Kentucky administrative regulations of the appropriate state board. Where the actual number of teachers employed by the district varies from the number allowed under the provisions of KRS 157.310 to 157.440, the number to be included in each rank shall be in the same ratio that the number of teachers actually in each rank is to the total number of teachers employed.

(b) The state board for elementary and secondary education with the recommendation of the superintendent of public instruction, may designate local school districts as experimental districts for the utilization as classroom units para-professionals and teacher aides under KRS 157.360(2). In experimental districts, foundation program fund calculations shall include, with respect to one or more schools in the district, an amount for para-professionals and teacher aides. This amount may be equal to a maximum of fifty percent (50%) of the amount included for a teacher in Rank III with no experience but may not exceed the salary paid the para-professional or teacher aide, multiplied by the number of approved para-professionals and teacher aides employed in the designated school or schools.

(c) Such amounts may be included only for those who are not in sole and principal charge of a class. No district may receive foundation program funds for such number of para-professionals and teacher aides referred to in paragraph (b) of this subsection as exceeds one-half (½) the number of certificated teachers in the designated school or schools.

(d) In the calculation of classroom units for the purpose of allocation of teachers' salaries only, the state board for elementary and secondary education may use a ratio greater than twenty-seven (27) to one (1) for such calculations regarding the experimental districts designated pursuant to paragraph (b) of this subsection.

(3) The amount to be included in the foundation program for other current expenses shall be determined by multiplying the number of classroom units by the amounts set forth in the biennial budget.

(4) The amount to be included in the foundation program for capital outlay shall be determined by multiplying the number of classroom units by the amounts set forth in the biennial budget.

(5) The amount to be included in the foundation program of each district for transportation shall be determined by multiplying the aggregate attendance of transported children by the allowable cost per pupil per day for that district determined in accordance with the provisions of KRS 157.370.

(6) The total amount of money distributable to each district from the public school foundation program fund shall be the sum of the allotments in subsections (2), (3), (4) and (5) of this section.

Section 3. Whereas, tentative foundation program allottments are made for school districts at the beginning of each fiscal year, an emergency is declared to exist and this Act shall become effective on July 1, 1980.

The Committee Amendment No. 1 to **HB 395** is as follows:

Amend printed copy of **HB 395,** page 1, line 17, by deleting the word "*twenty (20)*" and deleting the brackets before and after "twenty-seven (27)"

Page 1, line 19, by deleting all new material on lines 19 and 20 and by inserting the following after the number "(12)" "*and for each twenty (20) pupils in kindergarten*"

Page 2, line 3, by deleting the word "*twenty (20)*"

Page 2, line 4, by removing the brackets before and after "twenty-five (25)"

Page 2, line 10, by placing brackets around the following "six and nine-tenths (6.9) in 1978-79 and"

Page 2, line 11, by placing brackets around the following "in 1979-80"

Page 2, line 13, by placing brackets around the following "five and one-tenth (5.1) in 1978-79 and"

Page 2, line 14, by placing brackets around the following "in 1979-80"

Page 2, line 24, by deleting the word "*In*" and inserting the following in lieu thereof "*Beginning with the school year 1981-82, classroom units for*", and by inserting the following after "*three (3)*" "*shall be allotted for each twenty-five (25) pupils in average daily attendance, and*"

Page 2, line 25, by inserting the following after the word "*membership*" "*in those grades.*"

Page 2, line 26, by deleting all of line 26

Page 3, line 1, by deleting all material on lines 1, 2, 3 and through "cation." on line 4.

Page 5, line 9, by placing brackets around the following "six and nine-tenths (6.9) in 1978-79 and"

Page 5, line 10, by placing brackets around "1979-80"

Page 5, line 13, by placing a bracket before the word "five"

Page 5, line 14, by placing a bracket after the first "and" and around "1979-80"

The Committee Amendment No. 2 to **HB 395** is as follows:

Amend printed copy of **HB 395,** page 11, line 17 - after "Section 3." insert:

If any of the sections of this Act are determined to be in conflict with the provisions of the 1980-1982 biennial budget, the biennial budget shall prevail."

Line 17 - before "Whereas" insert "*Section 4.*"

Announcements

The following meetings were announced:

Judiciary: On adjournment, today, Room 9.

Appropriations and Revenue: Tomorrow, 12 noon, Room 246.

Agriculture and Small Business: Thursday, 9:00 a.m.

Natural Resources and Environment: Postponed today, tomorrow, 12 noon, Room A.

State Government: Thursday, 10:00 a.m., Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Thursday, March 6, 1980.

On the roll call the vote was yeas 42-Adams, Allen, Barrows, Bennett, Blythe, Boswell, Brinkley, Brown, Cawood, Clapp, Clark, Crupper, Cyrus, Donnermeyer, Freibert, Fryman, Hancock, Head, Holbrook, Holloway, Kidd, Layman, McBee, Moberly, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Smith, Thomas, Thomason, Turner, Wiborn, Williams, Worthington. Nays 3-Dunn, Guenthner, Van Horn.

The motion to adjourn was adopted.

THURSDAY, MARCH 6, 1980

THIRTY-EIGHTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of March 5, 1980, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 901, by Representative Arnold: AN ACT relating to bovine animals.

HB 902, by Representative Clarke: AN ACT relating to revenue and taxation.

HB 903, by Representatives Wright, Bronger, and Burnette: AN ACT relating to motor fuels.

HB 904, by Representative LeMaster: AN ACT relating to borrowing by urban-county governments.

HB 905, by Representative Clarke: AN ACT relating to property valuation administrators.

HB 906, by Representative Bendl: AN ACT relating to mental health.

HB 907, by Representative Moberly: AN ACT relating to library districts formed by petition.

HB 908, by Representatives Bendl, Dunn, Adams, Bennett, Blandford, Blythe, Bronger, Burch, Caldwell, Clapp, Clark, DeFalaise, Donnermeyer, Guenthner, Haering, Heleringer, Hines, Holloway, Isler, Kidd, List, Mann, McBee, Nett, O'Brien, Petty, Priddy, Riner, Romines, Smith, Turner, Williams, Wright, and Yates: AN ACT relating to state tax revenue and the disbursement of state tax revenue and making an appropriation therefor.

HB 909, by Representatives Blandford, Arnold, Farrow, and Burnette: AN ACT relating to protecting agricultural operations from nuisance suits under certain circumstances.

HB 910, by Representative Wilborn: AN ACT relating to education.

HB 911, by Representatives Thomason and Deskins: AN ACT relating to the duties of county attorneys.

HB 912, by Representative B. Richardson: AN ACT relating to local tax increment development.

HB 913, by Representative B. Richardson: AN ACT relating to the executive mansion.

HB 914, by Representative Caldwell: AN ACT proposing to amend Sections 70, 71, and 72 of the Constitution of Kentucky relating to the office of the governor.

HB 915, by Representative Caldwell: AN ACT relating to property taxation.

HB 916, by Representative O'Brien: AN ACT relating to referendum.

HB 917, by Representative Worthington: AN ACT relating to the coal impact road fund.

HR 99, by Representatives Johnson, Blandford, Boswell, Blythe, and Guenthner: A RESOLUTION adjourning the House in honor and memory of Elmer L. Brown.

HR 100, by Representatives P. Richardson, List, and Kenton: A RESOLUTION adjourning the House in honor and memory of John Jacob Niles.

HR 101, by Representative B. Richardson: A RESOLUTION directing appointment of a committee to wait upon the Governor.

Report on Enrolled Bills

HB 179 delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 837, HB 857, HB 871, HB 872, HB 882.**

Banking and Insurance: **HB 839, HB 850, HB 874, HB 886, HB 888, HB 894.**

Business Organizations and Professions: **HB 840, HB 841, HB 844, HB 868.**

Cities: **HB 875.**

Counties and Special Districts: **HB 856, HB 862.**

Education: **HB 889, HB 897, HR 98, SB 27.**

Elections and Constitutional Amendments: **HB 895.**

Energy: **HB 838, HB 863, HB 899.**

Health and Welfare: **HB 842, HB 848, HB 855, HR 96.**

Judiciary: **HB 843, HB 849, HB 861, HB 865, HB 867, HB 869, HB 870, HB 873, HB 883, HB 890, HB 892, HB 893.**

Labor and Industry: **HB 836, HB 864.**

Natural Resources and Environment: **HB 835, HB 852, HB 853, HB 898.**

State Government: **HB 641, HB 851, HB 858, HB 859, HB 866, HB 876, HB 877, HB 878, HB 879, HB 884, HB 885, HB 887, HB 891, HB 896, HB 900, HR 97.**

Transportation: **HB 845, HB 846, HB 847, HB 854, HB 860, HB 880, HB 881.**

Posting of Bills and Resolutions for Consideration

The clerk announced the following Bills and Resolutions have been posted for Committee Consideration:

Banking and Insurance: **HB 816, HB 818, HB 834, HB 833, HB 761, HB 762, HB 691, HB 692, HB 694, HB 696, HB 697, HB 698, HB 699, HB 451, HB 764.**

Transportation: **HB 583, HB 592, HB 681, HB 757, HB 821, SB 135, HCR 6.**

The Clerk announced the Committee on Cities has withdrawn consideration of **HB 511.**

Report of Committees

The Committee on Rules reported **HB 114, HB 165, HB 289, HB 91, HB 336, HB 430, HB 448, HB 539, HB 543, HB 544,** and **HB 580** have been posted for passage in Orders of the Day, March 7, 1980.

The Committee on Rules reported **HB 362** has been recommitted to the Committee on Appropriations and Revenue and **SB 76** has been recommitted to the Committee on Appropriations and Revenue.

The Committee on Natural Resources and Environment reported **HB 236, HB 296** with Committee Substitute attached thereto, **HB 481, HB 482,** and **HR 37** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 236, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 351.191 is amended to read as follows:

Each underground coal mine operator shall submit documentation to the commissioner that a trained mine rescue team is within sixty (60) minutes' driving time of each of his mines. In the event that a trained mine rescue team is not available as required, the department shall provide a trained mine rescue team which would be available to the mine within sixty (60) minutes' driving time *and shall so notify in writing the appropriate official of the United States mine safety and health administration.*

HB 296, AN ACT relating to water resources and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created the water resources advisory commission, which shall be composed of fifteen (15) members as follows:

(a) The governor shall appoint six (6) members: two (2) state legislators, one (1) from the senate and one (1) from the house of representatives; two (2) mayors; and two (2) county judges/executive; and

(b) The legislative research commission shall appoint nine (9) members, one (1) from each of the following river basins: Big Sandy; Licking; Kentucky; Salt; Green; Ohio River Main Stem; Tennessee; Mississippi; and Upper Cumberland.

(2) Each member shall serve a four (4) year term, except the first commission members appointed by the legislative research commission who shall serve terms as follows:

(a) Three (3) members shall serve for terms of two (2) years from the date of appointment;

(b) Three (3) members shall serve for terms of three (3) years from the date of appointment; and

(c) Three (3) members shall serve for terms of four (4) years from the date of appointment.

(3) Commission members may be reappointed. A vacancy in an unexpired term shall be filled for the unexpired portion of the term in the same manner as the original appointment to that term.

(4) Any member who misses three (3) consecutive meetings of the commission shall be deemed to have vacated the office. The commission shall declare the office vacant and the office shall be filled as provided by subsection (3) of this section.

(5) Two (2) of the commission members shall be elected by the commission to serve on the water resources authority of Kentucky, which service shall cease with the expiration of the term of appointment on the commission, if not sooner.

(6) The commission shall annually elect one of its members as chairperson. The commission shall meet quarterly or more often if necessary. A quorum for the transaction of business shall be nine (9) members, and a majority of the members present at a meeting may take action on any matter legally before it.

(7) Members shall be paid their necessary expenses incurred in attending meetings and in the performance of their official duties.

(8) The commission shall employ an executive director, who shall be qualified on the basis of technical knowledge and experience in water resource management and administrative ability. The commission, on the advice of the executive director, shall employ additional staff, as required, who are knowledgeable in such areas as hydrology, geology, engineering, municipal planning, regional planning, economics, and secretarial science. The commission may engage, as needed, the professional services of individuals on a contractual basis.

(9) The commission shall be attached for administrative purposes to the department for natural resources and environmental protection.

(10) The commission shall receive an annual appropriation from the General Fund and shall prepare a line-item budget, which shall appear as a line item in the biennial budget report and in the biennial appropriation act.

(11) The commission may receive private funds, federal grants, and discretionary funds from the department for natural resources and environmental protection.

(12) The commission shall issue rules and regulations as necessary. The commission shall establish by regulation the boundary for each river basin referred to in subsection (1)(b) of this section.

SECTION 2. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

The water resources advisory commission shall:

(1) Advise and make recommendations to all appropriate state and federal agencies concerning all flood-related matters in the state;

(2) Assist the appropriate federal, state, and local governmental agencies in planning and coordinating all flood-prevention and flood-relief programs;

(3) Recommend to the governor, the legislative research commission, and the appropriate state agency adoption or rejection of any proposal by the water resources authority of Kentucky or the department for natural resources and environmental protection to adopt, modify, or revoke:

(a) Any comprehensive water resources plan, program, or policy proposed for adoption as a state plan or policy;

(b) Any position proposed to be taken on behalf of the state before interstate agencies, federal agencies, or congressional committees relating to water resources; and

(c) Any procedure proposed for financial assistance to any governmental body for water resources purposes;

(4) Serve as a working public forum for the exchange of views, concerns, ideas, information, and recommendations relating to the state's water resources, including flood-related programs and problems;

(5) Prepare a report on each major flood occurring after the creation of the commission, including, among other items, the causes of the flood, an assessment of assistance given to the flood victims by all federal, state, and local governmental agencies, and recommendations for preventing and alleviating future flooding in the area;

(6) Establish subcommittees and advisory committees as needed;

(7) Conduct public hearings appropriate for the proper consideration of the state's water resources; and

(8) Report annually to the governor and the legislative research commission, including, among other items, a summary of the year's activities, an assessment of the progress being made toward preventing flooding and alleviating the results of flooding, and recommendations.

Section 3. KRS 151.330 is amended to read as follows:

(1) The governor, the secretary for natural resources and environmental protection, the secretary of the [executive] department *of* [for] finance [and administration], the secretary for human resources or his designee, the commissioner of commerce, the commissioner of agriculture, the secretary of the cabinet for development, the attorney general, the secretary of the department of transportation, the commissioner of fish and wildlife resources, [and] the commissioner of parks, and their respective successors in office, *and two (2) members of the water resources advisory commission* shall be a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth by the name of "The Water Resources Authority of Kentucky" with perpetual succession and with power in that name to contract and be contracted with, sue and be sued, have and use a corporate seal, and exercise, in addition to the powers and functions specifically stated in this chapter, all the usual powers of private corporations to the extent that the same are not inconsistent with specifically enumerated powers.

(2) The members of the authority shall receive no compensation for their service in that capacity, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with the performance of their duties and functions as such members.

(3) *Seven (7)* [Six (6)] members of the authority shall constitute a quorum for the transaction of business. The governor shall, by virtue of his office, be the chairman of the authority. The secretary for natural resources and environmental protection shall, by virtue of his office, be the vice-chairman of the authority. The secretary of the [executive] department *of* [for] finance [and administration] shall, by virtue of his office, be the treasurer of the authority.

(4) The authority shall meet quarterly or more often if necessary.

Section 4. There is hereby appropriated from the General Fund the sum of $100,000 for the fiscal year 1980-81 and the sum of $150,000 for the fiscal year 1981-82 to carry out the purposes of Sections 1 and 2 of this Act.

The Committee Substitute to **HB 296** is as follows:

HB 296, AN ACT relating to water resources and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created the flood control advisory commission, which shall be composed of fifteen (15) members as follows:

(a) The governor shall appoint six (6) members: two (2) state legislators, one (1) from the senate and one (1) from the house of representatives; two (2) mayors; and two (2) county judges/executive; and

(b) The legislative research commission shall appoint nine (9) members, one (1) from each of the following river basins: Big Sandy; Licking; Kentucky; Salt; Green; Ohio River Main Stem; Tennessee; Mississippi; and Upper Cumberland.

(2) Each member shall serve a four (4) year term, except the first commission members appointed by the legislative research commission who shall serve terms as follows:

(a) Three (3) members shall serve for terms of two (2) years from the date of appointment;

(b) Three (3) members shall serve for terms of three (3) years from the date of appointment; and

(c) Three (3) members shall serve for terms of four (4) years from the date of appointment.

(3) Commission members may be reappointed. A vacancy in an unexpired term shall be filled for the unexpired portion of the term in the same manner as the original appointment to that term.

(4) Any member who misses three (3) consecutive meetings of the commission shall be deemed to have vacated the office. The commission shall declare the office vacant and the office shall be filled as provided by subsection (3) of this section.

(5) Two (2) of the commission members shall be elected by the commission to serve on the water resources authority of Kentucky, which service shall cease with the expiration of the term of appointment on the commission, if not sooner.

(6) The commission shall annually elect one of its members as chairperson. The commission shall meet quarterly or more often if necessary. A quorum for the transaction of business shall be nine (9) members, and a majority of the members present at a meeting may take action on any matter legally before it.

(7) Members shall be paid their necessary expenses incurred in attending meetings and in the performance of their official duties.

(8) The commission shall employ an executive director, who shall be qualified on the basis of administrative ability in water resource management. The commission, on the advice of the executive director, shall employ additional staff, as required, who are knowledgeable in such areas as hydrology, geology, engineering, municipal planning, regional planning, economics, and secretarial science. The commission may engage, as needed, the professional services of individuals on a contractual basis.

(9) The commission shall be attached for administrative purposes to the office of the governor.

(10) The commission shall receive an annual appropriation from the General Fund and shall prepare a line-item budget, which shall appear as a line item in the biennial budget report and in the biennial appropriation act.

(11) The commission may receive private funds, federal grants, and discretionary funds from the department for natural resources and environmental protection.

(12) The commission shall issue rules and regulations as necessary to control internal procedures. The commission shall establish by regulation the boundary for each river basin referred to in subsection (1)(b) of this section.

SECTION 2. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

The flood control advisory commission shall:

(1) Advise and make recommendations to all appropriate state and federal agencies concerning all flood-related matters in the state;

(2) Assist the appropriate federal, state, and local governmental agencies in planning and coordinating all flood-prevention and flood-relief programs;

(3) Recommend to the governor, the legislative research commission, and the appropriate state agency adoption or rejection of any proposal by the water resources authority of Kentucky or the department for natural resources and environmental protection to adopt, modify, or revoke:

(a) Any comprehensive water resources plan, program, or policy proposed for adoption as a state plan or policy;

(b) Any position proposed to be taken on behalf of the state before interstate agencies, federal agencies, or congressional committees relating to water resources; and

(c) Any procedure proposed for financial assistance to any governmental body for water resources purposes;

(4) Serve as a working public forum for the exchange of views, concerns, ideas, information, and recommendations relating to the state's water resources, including flood-related programs and problems;

(5) Prepare a report on each major flood occurring after the creation of the commission, including, among other items, the causes of the flood, an assessment of assistance given to the flood victims by all federal, state, and local governmental agencies, and recommendations for preventing and alleviating future flooding in the area;

(6) Establish subcommittees and advisory committees as needed;

(7) Conduct public hearings appropriate for the proper consideration of the state's water resources; and

(8) Report annually to the governor and the legislative research commission, including, among other items, a summary of the year's activities, an assessment of the progress being made toward preventing flooding and alleviating the results of flooding, and recommendations.

Section 3. KRS 151.330 is amended to read as follows:

(1) The governor, the secretary for natural resources and environmental protection, the secretary of the [executive] department *of* [for] finance [and administration], the secretary for human resources or his designee, the commissioner of commerce, the commissioner of agriculture, the secretary of the cabinet for development, the attorney general, the secretary of the department of transportation, the commissioner of fish and wildlife resources, [and] the commissioner of parks, and their respective successors in office, *and two (2) members of the flood control advisory commission* shall be a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth by the name of "The Water Resources Authority of Kentucky" with perpetual succession and with power in that name to contract and be contracted with, sue and be sued, have and use a corporate seal, and exercise, in addition to the powers and functions specifically stated in this chapter, all the usual powers of private corporations to the extent that the same are not inconsistent with specifically enumerated powers.

(2) The members of the authority shall receive no compensation for their service in that capacity, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with the performance of their duties and functions as such members.

(3) *Seven (7)* [Six (6)] members of the authority shall constitute a quorum for the transaction of business. The governor shall, by virtue of his office, be the chairman of the authority. The secretary for natural resources and environmental protection shall, by virtue of his office, be the vice-chairman of the authority. The secretary of the [executive] department *of* [for] finance [and administration] shall, by virtue of his office, be the treasurer of the authority.

(4) The authority shall meet quarterly or more often if necessary.

Section 4. The flood control advisory commission shall evaluate the practicality and functional effectiveness of the water resources authority, and prepare a report of its recommendations by December 1, 1981, for submission to the 1982 General Assembly.

Section 5. There is hereby appropriated from the General Fund the sum of $100,000 for the fiscal year 1980-81 and the sum of $150,000 for the fiscal year 1981-82 to carry out the purposes of Sections 1 and 2 of this Act.

HB 481, AN ACT relating to flood plains.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

(1) The water resources authority shall develop a public information program for use by local units of government which will assist them in the development of flood plain management and flood hazard mitigation programs. The authority shall make the public information program available statewide and easily accessible.

(2) The public information program shall be designed to increase public awareness and community responsiveness toward flood plain management and shall include, but not be restricted to, the following:

(a) Flood plain information training workshops for local officials and citizens;

(b) Flood plain information booklets describing flood plain management, including flood warnings, overall preparedness, flood insurance, and flood proofing of buildings; and

(c) Model flood plain development ordinances for adoption by local governmental units.

HB 482, AN ACT relating to floods.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) All state agencies shall comply with the requirements of the national flood insurance program when constructing state buildings, structures, roads, or other facilities in a flood plain.

(2) The department of finance shall issue regulations to ensure compliance with subsection (1) of this section.

(3) The department for natural resources and environmental protection shall assist the department of finance in interpreting the federal law and regulations relating to the national flood insurance program.

(4) The department of finance shall submit to the legislative research commission verification of the proper initial implementation of this section and shall annually report to the commission on its continued implementation.

HCR 37, A CONCURRENT RESOLUTION directing a study of incentives to encourage floodproofing.

WHEREAS, the stream system and waterways of the Commonwealth are among the most extensive of any state in the union; and

WHEREAS, historically for many reasons, including the need to be near water transportation routes and the lack of other available land, housing and businesses have located in areas subject to flooding; and

WHEREAS, over the years as development has intensified in the flood prone areas, the damages and losses from periodic flooding have increased; and

WHEREAS, there is a need to protect property currently located within the flood plain in order to keep to a minimum flood losses and damages, and to prevent hardships due to relocation of residents residing in these areas;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission is directed to conduct a study of the possible incentives for floodproofing, including income tax deductions and other measures consistent with federal insurance administration regulations.

Section 2. That the study, along with any recommendations, shall be reported to the appropriate interim joint committees not later than December 1, 1980.

Section 3. Staff services to be utilized in completing this study are estimated to cost $7000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

The Committee on Business Organizations and Professions reported **HB 548** with Committee Amendment attached thereto, **HB 461** with Committee Amendment attached thereto, **HB 478** with Committee Amendment attached thereto, **HB 531, HB 613, HB 663** with Committee Amendment attached thereto, and **SB 90** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 548, AN ACT relating to psychologists.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 319.020 is amended to read as follows:

The state board of examiners of psychologists shall consist of *seven (7)* [five (5)] members appointed by the governor. *Three (3)* [Four (4)] members shall be licensed psychologists. *Three (3) members shall be certified psychologists.* One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. The governor shall appoint from a list of *five (5) licensed and five (5) certified psychologists* [ten (10)] submitted to him by the Kentucky psychological association [four (4) psychologists holding the degree of doctor of philosophy or its equivalent in psychology from an accredited educational institution and eligible for licensing under the provisions of this chapter to be members of the board of examiners of psychologists]. The governor shall appoint members, for terms of four (4) years [and until their successors are appointed and qualified]. [Psychologist members shall be appointed from a group of three (3) nominees for each position to be filled,] The nominees *shall* [to] be selected by the psychologists licensed *or certified* under KRS 319.005 to 319.131 from a list of eligible candidates prepared by the Kentucky psychological association, and each nominee shall be a psychologist licensed *or certified* according to the provisions of this chapter. Each psychologist member shall be an elector of this state and shall have engaged in the practice of *or* teaching of psychology for at least three (3) years in this state or elsewhere in the United States. Annually the board shall elect one (1) of its members as chairman. The governor shall fill any vacancy occurring in the board in the manner and at the time prescribed above. Upon recommendation by a majority of the board members and after notice and a hearing by them, the governor shall remove any member for incompetence, neglect of duty or malfeasance in office. *Four (4)* [Three (3)] members of the board shall be a quorum. Each member shall receive fifty dollars ($50) per day for attending each meeting and shall receive his necessary expenses incurred in the performance of the duties required by this chapter. The board is responsible for preparation or selection and administration of written examinations on general psychological knowledge and on the appropriate psychological specialty or specialties of the applicant as required by this chapter and for recommending licensure or certification under the provisions of this chapter. A schedule of fees for licensure *and certification*[, certificates, and temporary permits] shall be established and amended, as necessary, by the board of examiners. The board is authorized to collect said fees. The board is empowered to question violation of this law and to bring suit against such violators. The board may employ necessary personnel for the performance of its functions, determine the classifications and functions of such personnel, and fix the compensation thereof, within the limits of funds available to the board.

Section 2. KRS 319.055 is amended to read as follows:

The board of examiners of psychologists *shall* [will] issue certificates of qualification with appropriate title *in the area of qualification to applicants who possess at least a masters degree* [to applicants who meet all the licensing requirements except the possession of the degree of Doctor of Philosophy or its equivalent] in psychology from an educational institution rated as acceptable as provided in KRS 319.040. These certificates of qualification certify that the holder has been examined by the board and is deemed competent to perform certain functions within the practice of psychology [under the periodic direct supervision of a psychologist licensed by the board]. Such functions will be specified on the certificate issued by the board [and may include but are not restricted to such functions as administering tests of mental abilities, personnel selection, and educational and vocational planning]. Such applicant shall pay to the board of examiners a fee not to exceed *seventy-five dollars ($75)* [fifty dollars ($50.00)] for certification in a single area of qualifications and *not to exceed fifty dollars ($50) for* [a fee for amendment of the certificate to include] each additional area of qualification. [Upon petition by a holder the board of examiners may grant authority to function without immediate supervision. The board may require that such a petition be accompanied by a letter of indorsement from the holder's supervisor.]

The Committee Amendment No. 1 to **HB 548** is as follows:

Amend printed copy of **HB 548** on page 1 , line 4 after the word "of" by deleting the word "*seven (7)*" and insert in lieu thereof the word "*nine (9)*"

and on page 1, line 7 after the word "*psychologists*" by adding the word "*three (3)*" and by placing brackets around the word "[One (1)]."

and on page 2, line 16 after the word "office" by deleting the word "*Four (4)*" and inserting in lieu thereof the word "*Five (5)*".

HB 461, AN ACT relating to the Kentucky state racing commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 230.220 is amended to read as follows:

(1) There is hereby created the Kentucky state racing commission which shall be an independent agency of state government. The commission shall consist of *nine (9)* [five (5)] members all of whom shall be appointed by the governor. Not less than three (3) of the members shall be breeders of thoroughbred horses in Kentucky, *not less than two (2) of the members shall be appointed by the governor from a list of five (5) persons submitted by the Kentucky division of the horsemen's benevolent and protective association.* No

two (2) of the members shall be directors of the same racing association and at least one (1) of the members shall have no financial interest in the business or industry regulated. *At least one (1) member will be appointed from each congressional district.* Commissioners shall be appointed for a term of four (4) years and until their successors are appointed and qualified. Any vacancy on the commission shall be filled by the governor for the unexpired term. Each commissioner shall be eligible for reappointment in the discretion of the governor. Commissioners shall receive fifty dollars ($50) per day for each meeting attended and shall be reimbursed for all expenses paid or incurred in the discharge of official business. The commission shall designate one (1) of their number as chairman and another as vice chairman. Before entering upon the discharge of their duties, each commissioner shall take the constitutional oath of office.

(2) The commission shall establish and maintain a general office for the transaction of its business and may in its discretion establish a branch office or offices. The commission may hold meetings at any of such offices or at any other place when the convenience of the commission requires. All meetings of the commission shall be open and public, and all persons shall be permitted to attend any meetings. A majority of the commission shall constitute a quorum for the transaction of its business or exercise of any of its powers.

The Committee Amendment No. 1 to **HB 461** is as follows:

Amend printed copy of **HB 461** on page 1, line 17 after the word district, add the following language, "*that has a licensed thoroughbred race track*".

HB 478, AN ACT relating to thoroughbred racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.510 is amended to read as follows:

(1) An excise tax is imposed on every person, corporation or association which operates a running horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax *on tracks averaging over nine hundred thousand dollars ($900,000) in pari-mutuel handle per racing day waged during the year shall be an amount equal to four and three-fourths percent (4 ¾%) of all money wagered during the year. The tax on tracks averaging nine hundred thousand dollars ($900,000) or less in pari-mutuel handle per racing day wagered during the year shall be an amount equal to two and three-fourths percent (2 ¾%) of all money wagered during the year* [shall be an amount equal to four and three-fourths percent (4 ¾%) of all money wagered during the year]. A year as used herein shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. Until July 1, 1979, one-nineteenth (1/19) of all amounts received by reason of such tax shall be set aside by the department of revenue and shall be deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400. From July 1, 1979, until June 30, 1980, two-nineteenths (2/19) of all amounts received by reason of such tax shall be set aside by the department of revenue and shall be deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400. From and after June 30, 1980, three-nineteenths (3/19) of all amounts received by reason of such tax shall be set aside by the department of revenue and shall be deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400.

(2) An excise tax is imposed on every person, corporation or association which operates a trotting horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to five percent (5%) of all money wagered during the year. A year as used herein shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. One-fifth (1/5) of all amounts received by reason of such tax shall be set aside by the department of revenue and shall be deposited in the Kentucky standardbred development fund created and described in KRS 230.770.

Section 2. KRS 138.515 is amended to read as follows:

(1) The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation or association which operates a running horse race track at which betting is conducted through a pari-mutuel or other similar system, *in races where the patron is required to select one (1) horse, not to exceed sixteen percent (16%) at those tracks averaging over nine hundred thousand dollars ($900,000) in pari-mutuel handle per racing day. The commission at those tracks averaging nine hundred thousand dollars ($900,000) or less in pari-mutuel handle per racing day shall not exceed seventeen percent (17%) in races where the patron is required to select one (1) horse* [shall not exceed 15 per cent of the gross amount handled], except that for the purposes of races conducted under the auspices of the quarter horse and appaloosa commission shall not exceed 17 percent of the gross amount handled, and the breaks, which breaks shall be made and calculated to the dime.

(2) The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation or association which operates a running horse race track at which betting

is conducted through a pari-mutuel or other similar system shall not exceed nineteen percent (19%) of the gross handle in races where the patron is required to select two (2) horses, and the breaks, which breaks shall be made and calculated to the dime.

SECTION 3. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established, under the general jurisdiction of the Kentucky state racing commission, a backside improvement commission. This commission shall consist of three (3) members: the lieutenant governor, who shall serve as chairman, the chairman of the Kentucky state racing commission, the president of the Kentucky division of the horsemen's benevolent and protective association. The members of the commission shall serve without compensation, but shall be entitled to reimbursement for all expenses incurred in the discharge of official business.

(2) There is hereby created a trust and revolving fund for the backside improvement commission, consisting of money allocated to the fund under the provisions of KRS 138.510, together with such other money as may be contributed to or allocated to the fund from all other sources. Money to the credit of the backside improvement fund at the end of each fiscal year shall not lapse but shall be carried forward in such fund to the succeeding fiscal year.

(3) The backside improvement commission shall employ such qualified personnel as may be required to assist the commission in carrying out the provisions of this section. Such persons shall serve at the pleasure of the commission and compensation for such personnel shall be fixed by the commission. The compensation of such personnel and the necessary expenses incurred by the commission or by the committee in carrying out the provisions of this section shall be paid out of the backside improvement fund.

(4) The purpose of the fund shall be to improve the backside of racing associations averaging nine hundred thousand dollars ($900,000) or less pari-mutuel handle per racing day. The backside development commission shall use the backside development fund to promote, enhance, and improve the conditions of the backside of eligible racing associations. Said conditions shall include but not be limited to the living and working quarters of backside employes.

(5) The Kentucky state racing commission shall adopt such rules and regulations as may be necessary to carry out the provisions and purposes of this section.

SECTION 4. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

A thoroughbred association race which operates a running horse race track at which betting is conducted through a pari-mutuel or other similar system shall not be allowed to conduct any pool where it is required to select more than two (2) horses.

The Committee Amendment No. 1 to **HB 478** is as follows:

Amend printed copy of **HB 478** on page 1, lines 1 through 21 and page 2, lines 1 through 23, by deleting Section 1 in its entirety; and

on page 2, line 24 by deleting "2" after the word "Section" and inserting in lieu thereof "*1*"; and

on page 3, line 11 by inserting after the word "seventeen" the words "*and one half*"; and

on page 3, line 11 between the number "7" and the "%" sign by inserting the fraction "½"; and

on page 4, after line 1, by adding subsection (3) as follows:

"*(3) The racing association averaging $900,000 or less per racing day shall pay to the Backside Improvement Fund an amount equal to one-half of the one percent (½ of 1%) of its commissions.*"

HB 531, AN ACT relating to advertising of alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 244.130 is amended to read as follows:

(1) Except in conformity with regulations of the board, no licensee under KRS 243.020 to 243.670 shall:

(a) Advertise or cause or permit to be advertised in any manner any product which he is licensed to manufacture or sell; nor

(b) Have or exhibit in a window any display of alcoholic beverages.

(2) Subsection (1) of this section shall not prohibit:

(a) Advertising in newspapers, magazines or periodicals having a general circulation among regular paying subscribers or patrons;

(b) Promotional advertising on radio or television limited to no more than the name of the licensee and the products the licensee is permitted to manufacture or sell;

(c) Promotional advertising containing the names of establishments or products displayed on uniforms or equipment of sporting teams*;*

(d) Advertising on window signs or on premises signs by brand name and the price thereof, any product the licensee is permitted to sell.

Section 2. KRS 244.140 is amended to read as follows:

No sign of any kind, advertising any brand of alcoholic beverages, shall be placed on the exterior or so as to be visible from the exterior of any premises licensed for the sale of alcoholic beverages at retail, except in cities of the first *four classes* [or second class].

Section 3. KRS 244.530 is amended to read as follows:

No malt beverage retailer shall advertise or permit to be advertised on the outside of his licensed premises any malt beverage by trade name, trade-mark or other particular characteristic, excepting in a city of the first *four classes* [or second class] where such outside advertising shall be permitted if located upon [a wall of] the licensed premises. [No such advertising shall be done or permitted by him within his licensed premises so as to be visible from without such premises.]

HB 613, AN ACT relating to real estate brokers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 324.115 is amended to read as follows:

(1) Every real estate broker licensed under KRS 324.045 shall have and maintain a definite place of business in this state, except as hereinafter provided, and shall erect and maintain a sign in a conspicuous place on the premises at or near the outside entrance to his principal office and all branch offices. The sign shall indicate that he is a real estate broker and his name shall be clearly shown thereon. Such sign shall be written in clear and legible letters of not less than two (2) inches in height and shall be placed so that it can easily be observed and read by anyone entering said place of business. Provided, however, That if the broker is a nonresident, it is not mandatory for him to maintain an active place of business in this state if he maintains such a business place in the state where he is originally licensed.

(2) Other than the requirements stated in subsection (1) of this section, the commission shall not regulate the content, size or format of any signs or advertising.

HB 663, AN ACT relating to harness racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) The commission shall adopt rules governing and regulating mutuel wagering on harness races at harness meetings under what is known as the pari-mutuel system of wagering. Such wagering shall be conducted only by a person licensed under this Act to conduct harness race meetings and only upon the licensed premises and on the dates and hours for which racing has been authorized by the commission. The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the commission. The commission shall not require any particular make of equipment.

(2) In no event shall the operation of a pari-mutuel system for betting where authorized by law constitute grounds for the revocation or suspension of any license issued and held under the provisions of this Act.

(3) All reported but unclaimed pari-mutuel winning tickets held in this state by any person or association operating a pari-mutuel or similar system of betting at harness race meetings shall be presumed abandoned if not claimed by the person entitled thereto within two (2) years from the time the ticket became payable.

SECTION 2. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

Beginning on the effective date of this Act, any person holding unclaimed pari-mutuel winning tickets presumed abandoned under the provisions of this Act shall file annually, on or before September 1 of each year, with the office of the commission a list of and the amounts represented by unclaimed pari-mutuel tickets held by such person as of July 1, and such other information as the commission may require for the administration of this Act. The report shall be made in duplicate; the original shall be retained by the commission and the copy shall be mailed to the sheriff of the county where the unclaimed pari-mutuel tickets are held. It shall be the duty of the sheriff to post for not less than twenty (20) consecutive days said copy on the courthouse door or the courthouse bulletin board, and to publish said copy in the manner set forth by KRS Chapter 424. The cost of the publication shall be paid by the commission. The sheriff shall immediately certify in writing to the commission the dates when the list was posted and published. The list shall be posted and published as required on or before October 1 of the year when it is made, and such posting and publishing shall be constructive notice to all holders of pari-mutuel tickets which have remained unclaimed for a period of two (2) years from the time the ticket became payable.

SECTION 3. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

Any person who has made a report of unclaimed pari-mutuel tickets to the commission as required by the provisions of this Act, shall between November 1 and November 15 of each year, turn over to the commission the sum represented by the unclaimed pari-mutuel tickets so reported; but if the person making the report or the owner of the unclaimed pari-mutuel ticket certifies to the commission by sworn statement that any or all of the statutory conditions necessary to create a presumption of abandonment no longer exists or never did exist, or shall certify existence of any fact or circumstance in which there is substantial evidence to rebut such presumption, then, the person reporting the unclaimed pari-mutuel tickets or holding the sum represented by the unclaimed pari-mutuel tickets as reported shall not be required to turn over said sum to the commission except upon order of court. If the holder of any unclaimed pari-mutuel ticket files an action in court claiming the sum which has been reported under the provisions of this Act, the person reported or holding the sum represented by said unclaimed pari-mutuel ticket shall be under no duty while any such action is pending to turn over said sum to the commission, but shall have the duty of notifying the commission of the pendency of such action.

SECTION 4. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

Any person holding an unclaimed pari-mutuel ticket or any person holding the sum represented by an unclaimed pari-mutuel ticket, or any claimant thereto shall have the right to a judicial determination of his rights under the provisions of this Act and nothing therein shall be construed otherwise; and the commission may institute an action to recover the sum represented by the unclaimed pari-mutuel tickets which are presumed abandoned whether said sum has been reported or not and may include in one (1) petition the sum represented by all the unclaimed pari-mutuel tickets as defined herein within the jurisdiction of the court in which the action is brought.

SECTION 5. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

Any person who pays the sum represented by the unclaimed pari-mutuel tickets to the commission under the provisions of this Act is relieved of all liability for the value of said unclaimed pari-mutuel tickets for any claim made in respect of said unclaimed pari-mutuel tickets.

SECTION 6. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

Any person claiming an interest in any unclaimed pari-mutuel ticket which has been paid or surrendered to the commission in accordance with the provisions of this Act may file his claim to it at any time after it was paid to the commission.

SECTION 7. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

The commission shall consider any claim or defense permitted to be filed before the commission and hear the evidence concerning it. If the claimant establishes his claim, the commission shall, when the time for appeal or other legal procedure has expired, authorize payment to him of a sum equal to the amount of his claim paid to the commission in accordance with the provisions of this Act. The decision shall be in writing and shall state the substance of the evidence heard by the commission, if a transcript is not kept. The decision shall be a matter of public record.

SECTION 8. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

Any person dissatisfied with the decision of the commission in this regard may appeal to the Franklin Circuit Court in accordance with the provisions of KRS 243.560 to 243.590.

SECTION 9. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

The commission, through its employes, may examine all records of any person where there is reason to believe that there has been or is a failure to report unclaimed pari-mutuel tickets.

SECTION 10. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

The commission may promulgate any reasonable and necessary rules for the enforcement of these provisions and hearings held before it.

SECTION 11. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

The commission may require the production of reports or the surrender of sums represented by unclaimed pari-mutuel tickets as provided in this Act by civil equity action, including, but not limited to, an action in the nature of a bill of discovery, in which case the defendant shall pay a penalty equal to ten percent (10%) of all amounts that he is ultimately required to surrender. The commission shall follow the procedures provided by the Rules of Civil Procedure.

SECTION 12. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

Any payments made to any persons claiming an interest in an unclaimed pari-mutuel ticket, and any necessary expense including, but not limited to, administrative costs, advertising costs, court costs and attorney's fees, required to be paid by the commission in administering or enforcing the provisions of this Act shall be deducted from sums received by the commission prior to payment to the Kentucky harness racing health and welfare fund.

SECTION 13. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

Any holder of unclaimed pari-mutuel tickets affected by the provisions of this Act under disability shall have five (5) years after the disability is removed in which to take any action or procedure or make any defense allowed to one sui juris.

SECTION 14. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

All sums reported and paid to the commission under the provisions of this Act shall be used by it for purses at harness racing events at county fairs within the Commonwealth of Kentucky that have been licensed and approved by it. The commission shall have the authority to adopt rules and regulations as may be necessary for the conduct of such races.

Section 15. KRS 393.095 is amended to read as follows:

All funds represented by unclaimed pari-mutuel winning tickets held in this state by any person, association or corporation operating a pari-mutuel or similar system of betting at *quarter horse or appaloosa* [running or trotting horse] race tracks[, except thoroughbred race meetings,] shall be presumed abandoned, within the meaning of KRS Chapter 393, if not claimed by the person entitled thereto within two years from the time the ticket became payable.

The Committee Amendment No. 1 to **HB 663** is as follows:

Amend printed copy of **HB 663** on page 7, line 5 delete the words "prior to";

and on page 7, delete line 6;

and on page 7, line 7 delete the word "fund".

SB 90, AN ACT relating to motion picture distribution.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context requires otherwise:

(1) "Theatre" means any establishment in which motion pictures are exhibited to the public regularly for a charge.

(2) "Distributor" means any person engaged in the business of distributing or supplying motion pictures to exhibitors by rental, sale, or licensing.

(3) "Exhibitor" means any person engaged in the business of operating one or more theatres.

(4) "Exhibit" or "exhibition" means showing a motion picture to the public for a charge.

(5) "Invitation to bid" means a written or oral solicitation or invitation by a distributor to one or more exhibitors to bid for the right to exhibit a motion picture.

(6) "Bid" means a written offer or proposal by an exhibitor to a distributor in response to an invitation to bid for the right to exhibit a motion picture, stating the terms under which the exhibitor will agree to exhibit a motion picture.

(7) "License agreement" means any contract, agreement, understanding or condition between a distributor and an exhibitor relating to the licensing or exhibition of a motion picture by the exhibitor.

(8) "Trade screening" means the showing of a motion picture by a distributor within the cities of Lexington and Paducah and any other location the distributor may wish to include which is open to any exhibitor from whom the distributor intends to solicit bids or with whom the distributor intends to negotiate for the right to exhibit the motion picture.

(9) "Blind bidding" means the bidding for, negotiating for, offering or agreeing to terms for the licensing or exhibition of a motion picture at any time before such motion picture has either been trade screened within the state or before such motion picture, at the option of the distributor, has been otherwise made available for viewing within the state by all exhibitors from whom the distributor is soliciting bids or with whom the distributor is negotiating for the right to exhibit such motion picture.

(10) "Run" means the continuous exhibition of a motion picture in a defined geographic area for a specified period of time. A "first run" is the first exhibition of a motion picture in the designated area; a "second run" is the second exhibition; and "subsequent runs" are subsequent exhibitions after the second run. "Exclusive run" is any run limited to a single theatre in a defined geographical area, and a "nonexclusive run" is any run in more than one theatre in a defined geographical area.

SECTION 2. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

(1) No distributor shall engage in blind bidding.

(2) No distributor shall condition the granting or execution of a license agreement on a guarantee of a minimum payment to the distributor, if the exhibitor is required by the license agreement to make any payment to the distributor that is based on the attendance or the box office receipts at a theatre at which the motion picture is exhibited.

(3) No distributor shall condition the granting or execution of a license agreement on the exhibitor's advancing, more than fourteen (14) days prior to his first exhibition of a motion picture, any money that is to be used as security for the exhibitor's performance of the license agreement or is to be applied to any payments that the exhibitor is required by the agreement to make to the distributor.

(4) Any provision of a license agreement that waives any of the prohibitions of, or fails to comply with, this section or Section 3 of this Act is void and unenforceable. Any license agreement that fails to comply with this section or Section 3 of this Act is voidable by the exhibitor, if the exhibitor gives the distributor written notice, prior to the exhibitor's first exhibition of the motion picture that is the subject of the agreement, of his intent to have the agreement voided.

SECTION 3. A NEW SECTION OF KRS 365 IS CREATED TO READ AS FOLLOWS:

(1) If bids are solicited from exhibitors for the purpose of entering into a license agreement, the invitation to bid shall specify:

(a) whether the run for which the bid is solicited is a first, second or subsequent run; whether the run is an exclusive or nonexclusive run; and the geographic area for the run;

(b) the names of all exhibitors who are being solicited;

(c) the date and hour the invitation to bid expires; and

(d) the time, date and the location, including the address, where the bids will be opened, which shall be within the state.

(2) If the motion picture that is the subject of a bid has not already been trade screened within this state, the distributor soliciting the bid shall include in the invitation to bid the date, time and location of the trade screening of the motion picture that is the subject of the invitation to bid.

(3) Every distributor shall furnish to all exhibitors in this state reasonable and uniform notice of all trade screenings that are held within this state of motion pictures that he is distributing.

(4) All bids shall be submitted to the distributor in written form. The distributor or his agent shall open all bids at the same time and in the presence of at least one (1) of the exhibitors, or the agent of an exhibitor, who has submitted a bid.

(5) Any exhibitor, or the agent of an exhibitor, who submits a bid for a particular run of a motion picture may, at reasonable times within sixty (60) days after the bid is opened, examine any bid that is made for the same run of the motion picture by another exhibitor. The exhibitor may inspect the bids even if the distributor rejects all bids that are submitted. Within seven (7) business days after a bid for a particular run of a motion picture is accepted, the distributor shall notify in writing each exhibitor who submitted a bid for that run of the motion picture of the terms of the successful bidder. Any bid submitted is nonreturnable.

(6) If a distributor issues invitations to bid for a motion picture, he shall not enter into a license agreement for the exhibition of the motion picture except by means of the bidding process specified in this section. If the distributor rejects all bids submitted pursuant to an invitation to bid, he shall notify all exhibitors who submitted bids that he rejected all bids and shall issue a new invitation to bid.

SECTION 4. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

In any civil action for damages against a person for violation of the provisions of this Act, the court may award damages and reasonable attorney fees to the prevailing party. The provisions of this Act may be enforced by injunction or any other available equitable or legal remedy.

The Committee on Agriculture and Small Business reported **HB 473, HB 662** with Committee Substitute attached thereto, and **HR 73** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 473, AN ACT relating to farming.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. This Act shall be known as the Family Farm Act of 1980.

SECTION 2. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires, the term:

(1) "Agricultural land" means land used for farming;

(2) "Farming" means the cultivation of land for the production of agricultural crops; livestock or livestock products; poultry or poultry products; milk or dairy products; or fruit or other horticultural products. It shall not include the following:

(a) Production of timber or forest products;

(b) Contracts whereby a processor or distributor of farm products or supplies provides spraying, harvesting, or other farm services;

(c) Experimentation related to the production of pesticides, herbicides, or insecticides; and

(d) Production of seed stock.

(3) "Family farm" means an unincorporated farming unit owned by one (1) or more persons residing on the farm or actively engaging in farming;

(4) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by the majority of the stockholders who are members of a family related to each other within the third degree of kindred, and at least one (1) of whose stockholders is a person residing on or actively operating the farm, and none of whose stockholders are corporations; provided, however, that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock; and

(5) "Authorized farm corporation" means a corporation whose shareholders do not exceed ten (10) in number, whose shareholders are all natural persons or estates, whose shares are all of one (1) class, and whose revenues from rent, royalties, dividends, interest, and annuities do not exceed twenty percent (20%) of its gross receipts.

SECTION 3. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of KRS Chapter 271A, no domestic or foreign corporation shall engage in farming, except as provided in Section 4 of this Act. Nor shall any corporation, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial, or otherwise, in any title to real estate used for farming or capable of being used for farming, except as provided in Section 4 of this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The provisions of Section 3 of this Act shall not apply to:

(1) Agricultural land and land capable of being used for farming which:

(a) Was owned by a corporation on the effective date of this Act, including the normal expansion of such ownership at a rate not to exceed twenty percent (20%), measured in acres, in any five-year period; or

(b) Is leased by a corporation in an amount, measured in acres, not to exceed the acreage under lease to such corporation on the effective date of this Act and the additional acreage required for normal expansion at a rate not to exceed twenty percent (20%) in any five-year period; and

(c) The additional acreage necessary to meet the requirements of pollution control regulations.

(2) A family farm corporation or an authorized farm corporation;

(3) Any national or state chartered bank or trust company authorized to conduct business in this state when operating a farm as a trustee or as an administrator or executor of an estate;

(4) A bona fide encumbrance taken for purposes of security;

(5) Agricultural lands acquired by a corporation by process of law in the collection of debts; or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten (10) years after acquiring the title thereto; and further provided that the land so acquired shall not be used for farming during the ten-year period except under a lease to a family farm unit, a family farm corporation, or an authorized farm corporation. The ten-year limitation period shall be deemed a convenant running with the title to the land against any corporate grantee, assignee, or the successor of such corporation;

(6) Gifts of agricultural lands, either by grant or devise, to any nonprofit corporation;

(7) A state-supported farm operated for teaching, research, or experimental purposes; provided, however, that commercial sales from the farm shall be incidental to the teaching, research, or experimental objectives; and

(8) Agricultural land acquired by a corporation other than a family farm corporation or authorized farm corporation for immediate or potential use in nonfarming purposes. A corporation may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, or except when controlled through ownership, options, leaseholds or other agreements by a corporation which has entered into an agreement with the federal government pursuant to the new communities act of 1968, title IV of the housing and urban development act of 1968, 42 U.S.C.A. 3901-3914, as amended, or a subsidiary or assign of such a corporation.

SECTION 5. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

Every corporation engaged in farming or proposing to commence farming shall file with the secretary of state a report containing:

(1) The name of the corporation and its place of incorporation;

(2) The address of the registered office of the corporation in this state, the name and address of its registered agent in this state, and in the case of a foreign corporation, the address of its principal office in its place of incorporation;

(3) The acreage and location listed by county of each lot or parcel of land in this state owned or leased by the corporation and used for farming; and

(4) The names and addresses of the officers and the members of the board of directors of the corporation.

SECTION 6. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The report of a corporation seeking to qualify hereunder as a family farm corporation or an authorized farm corporation shall contain, in addition:

(1) The number of shares owned by persons residing on the farm or actively engaged in farming, and their relatives within the third degree of kindred;

(2) The name, address and number of shares owned by each shareholder; and

(3) A statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest, and annuities.

SECTION 7. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

No corporation shall commence farming until the secretary of state has inspected the report required by Section 5 of this Act and certified that its proposed operations comply with the provisions of Section 5 and Section 6 of this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

(1) Every corporation, except as provided in subsection (2) of this section, engaged in farming shall, prior to April 15 of each year, file with the secretary of state a report containing the information required in Section 5 and Section 6 of this Act based upon its operations in the preceding calendar year and its status at the end of such year.

(2) A corporation certified by the secretary of state as a qualified family farm corporation or as a qualified authorized farm corporation shall report as required by Section 5 and Section 6 of this Act by April 15 of the fifth year following certification.

SECTION 9. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

If the attorney general has reason to believe that a corporation is in violation of this Act, he shall commence an action in the circuit court in which any agricultural lands relative to such violation are situated, or if situated in two (2) or more counties, in any county in which a substantial part of the lands are situated. If the court finds that the lands in question are being held in violation of this Act, it shall enter an order so declaring.

SECTION 10. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The attorney general shall file any order under Section 9 of this Act for record with the county clerk of each county in which any portion of said lands are located. Thereafter, the corporation owning such land shall have a period of five (5) years from the date of such order to divest itself of such lands. This five-year limitation period shall be deemed a covenant running with the title to the land against any corporate grantee, assignee, or the successor of such corporation. Any lands not so divested within the time prescribed shall be sold at public sale in the manner prescribed by order of the court.

SECTION 11. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

Every corporation which fails to file any report required under the provisions of this Act or wilfully files false information on any report required under the provisions of this Act shall be fined not more than $1,000.

HB 662, AN ACT relating to the commercial production of earthworms.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Persons offering starter boxes for sale in the Commonwealth for the culturing of earthworms shall register with the attorney general and shall provide the information requested by the attorney general. The attorney general shall issue a registration number to the person which must appear in any advertising engaged in by the registrant and must be displayed to the public at the registrant's place of business and at the time of a sale.

(2) The attorney general may charge each registrant a fee not to exceed ten dollars ($10) to cover the cost of administering this section.

Section 2. KRS 367.990 is amended to read as follows:

(1) Any person who violates the terms of a temporary or permanent injunction issued under KRS 367.190 shall forfeit and pay to the Commonwealth a civil penalty of not more than twenty-five thousand dollars ($25,000) per violation. For the purposes of this section, the circuit court issuing an injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the attorney general acting in the name of the Commonwealth may petition for recovery of civil penalties.

(2) In any action brought under KRS 367.190, if the court finds that a person is wilfully using or has wilfully used a method, act or practice declared unlawful by KRS 367.170, the attorney general, upon petition to the court, may recover, on behalf of the Commonwealth, a civil penalty of not more than two thousand dollars ($2,000) per violation.

(3) Any person with actual notice that an investigation has begun or is about to begin pursuant to KRS 367.240 and 367.250 who intentionally conceals, alters, destroys or falsifies documentary material is subject to a fine of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000).

(4) Any person who, in response to a subpoena or demand as provided in KRS 367.240 or 367.250, intentionally falsifies or withholds documents, records, or pertinent materials that are not privileged, shall be subject to a fine as provided in subsection (3) of this section.

(5) The circuit court of any county in which any plan described in KRS 367.350 is proposed, operated or promoted may grant an injunction without bond, upon complaint filed by the attorney general to enjoin the further operation thereof, and the attorney general may ask for and the court may assess civil penalties against the defendant in an amount not to exceed the sum of five thousand dollars ($5,000) which shall be for the benefit of the Commonwealth of Kentucky.

(6) Any person, business, or corporation who knowingly violates the provisions of KRS 367.540 shall be fined not less than fifty dollars ($50) and not more than five hundred dollars ($500) for each offense. It shall be considered a separate offense each time a magazine is mailed into the state; but it shall be considered only one (1) offense for any quantity of the same issue of a magazine mailed into Kentucky.

(7) Any solicitor who violates the provisions of KRS 367.513 or 367.515 shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500) or confined in the county jail for not less than one (1) month nor more than six (6) months, or both, for each offense.

(8) In addition to the penalties contained in this section, the attorney general, upon petition to the court, may recover, on behalf of the Commonwealth a civil penalty of not more than the greater of five thousand dollars ($5,000) or two hundred dollars ($200) per day for each and every violation of KRS 367.175.

(9)(a) Any person who violates the terms of a temporary or permanent injunction issued under KRS 367.665 shall forfeit and pay to the Commonwealth a penalty of not more than five thousand dollars ($5,000) per violation. For the purposes of this section, the circuit court issuing an injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the attorney general acting in the name of the Commonwealth may petition for recovery of civil penalties.

(b) The attorney general may, upon petition to a court having jurisdiction under KRS 367.190, recover on behalf of the Commonwealth from any person found to have wilfully committed an act declared unlawful by KRS 367.655 a penalty of not more than two thousand dollars ($2,000) per violation.

(10) Any dealer who fails to provide a statement under KRS 367.760 or a notice under KRS 367.765 shall be liable for a penalty of one hundred dollars ($100) per violation to be collected in the name of the Commonwealth upon action of the attorney general.

(11) Any dealer or manufacturer who falsifies a statement under KRS 367.760 shall be liable for a penalty not exceeding one thousand dollars ($1,000) to be collected in the name of the Commonwealth upon action by the attorney general.

(12) Any person who violates KRS 367.805, 367.809(2), 367.811 or 367.813(1) shall be guilty of a Class C felony.

(13) Either the attorney general or the appropriate commonwealth attorney shall have authority to prosecute violations of KRS 367.801 to 367.819.

(14) A violation of KRS 367.474 to 367.478 and 367.482 is a Class C felony. Either the attorney general or the appropriate commonwealth attorney shall have authority to prosecute violators of KRS 367.474 to 367.478 and 367.482.

(15) Any person who violates Section 1 of this Act shall be fined not less than twenty-five dollars ($25) and not more than one hundred dollars ($100).

Section 3. KRS 260.030 is amended to read as follows:

(1) The division of markets shall:

(a) Stress promotional market efforts and make available to farmers practical assistance in setting up farm cooperatives;

(b) Gather and disseminate information concerning supply, demand, prevailing prices and commercial movement, including common and cold storage of food products, and maintain market news service for the purpose of disseminating such information;

(c) Foster and encourage the inspection, grading, standardizing, labeling and branding of farm products; provide standards of excellence and brands for the use of producers and consumers in the marketing of Kentucky-grown products; and promote the standardization of packages and containers for such purposes;

(d) Make regulations for the grading, packing, hauling, storing and sale of farm products when the regulations are authorized by statutes, and enforce those regulations;

(e) Act as mediator or arbitrator, when invited, in any issue that may arise between producers and distributors of agricultural products;

(f) Encourage the establishment of public markets and direct dealing between producer and consumer;

(g) Encourage the consumption of Kentucky-grown products within and without the state; [and]

(h) *Encourage the development of a market for the commercial production of earthworms; and*

(g) Negotiate and enter into cooperative agreements with the United States department of agriculture or any other appropriate federal agency for carrying this section into effect.

(2) The functions of the division shall be supplementary to, and not in duplication of, the educational activities of the college of agriculture of the University of Kentucky.

(3) In accomplishing its purposes the division shall not compete with business operated by private capital.

Section 4. KRS 247.030 is amended to read as follows:

(1) The experiment station shall make field experiments in order to ascertain by chemical and physical examination of soils and by direct experiments in laboratory and fields what crops and treatment are best suited to each type of soil, whether the present methods are tending to best results and to the preservation or reduction of fertility; what rotation and treatment will be most effective in retaining productive capacities of the soils of the various sections of the state and discover and demonstrate the best methods of marketing of fruits and vegetables.

(2) It shall conduct investigations calculated to develop the beef, pork and mutton producing interests of the state, and especially feeding experiments intended to demonstrate the most successful combination of stock foods, discovering, if possible, the most economical and successful methods of maintaining animals and fitting them for the market. It shall also conduct pathological investigations and investigate livestock conditions both at home and abroad, in so far as they affect market values.

(3) It shall conduct investigations for the purpose of developing the dairy interests of the state and undertake feeding experiments for production of milk and butter and the rearing of calves. It shall also study contagious diseases for the purpose of finding remedies for those diseases.

(4) It shall conduct investigations for the purpose of developing the horse interests of the state, and study the best methods of feeding and breeding, and diseases.

(5) It shall conduct experiments for the advancement of the poultry interests of the state and the economical production of poultry and eggs, including experiments in breeding for egg production and methods best adapted for hatching and raising of chicks.

(6) It shall bring the scientific knowledge which it obtains concerning agriculture and home economics, to the farm and home by means of personal visitation, correspondence, cooperative demonstrations and experiments and the solution of local problems by station experts visiting the locality and studying the problems of the farm and home.

(7) It shall conduct research and investigations for the purpose of advancing the development of a market for the commercial production of earthworms, including their potential for use in the areas of waste disposal and land reclamation.

Section 5. The commissioner and the dean of the college of agriculture of the University of Kentucky shall report the progress made in carrying out the provisions of Sections 3 and 4 of this Act to the Legislative Research Commission on or before January 15, 1981 and again on or before July 1, 1981 and thereafter as requested.

The Committee Substitute to **HB 662** is as follows:

HB 662, AN ACT relating to the commercial production of earthworms.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 260.030 is amended to read as follows:

(1) The division of markets shall:

(a) Stress promotional market efforts and make available to farmers practical assistance in setting up farm cooperatives;

(b) Gather and disseminate information concerning supply, demand, prevailing prices and commercial movement, including common and cold storage of food products, and maintain market news service for the purpose of disseminating such information;

(c) Foster and encourage the inspection, grading, standardizing, labeling and branding of farm products; provide standards of excellence and brands for the use of producers and consumers in the marketing of Kentucky-grown products; and promote the standardization of packages and containers for such purposes;

(d) Make regulations for the grading, packing, hauling, storing and sale of farm products when the regulations are authorized by statutes, and enforce those regulations;

(e) Act as mediator or arbitrator, when invited, in any issue that may arise between producers and distributors of agricultural products;

(f) Encourage the establishment of public markets and direct dealing between producer and consumer;

(g) Encourage the consumption of Kentucky-grown products within and without the state; [and]

(h) *Encourage the development of a market for the commercial production of earthworms; and*

(g) Negotiate and enter into cooperative agreements with the United States department of agriculture or any other appropriate federal agency for carrying this section into effect.

(2) The functions of the division shall be supplementary to, and not in duplication of, the educational activities of the college of agriculture of the University of Kentucky.

(3) In accomplishing its purposes the division shall not compete with business operated by private capital.

Section 2. KRS 247.030 is amended to read as follows:

(1) The experiment station shall make field experiments in order to ascertain by chemical and physical examination of soils and by direct experiments in laboratory and fields what crops and treatment are best suited to each type of soil, whether the present methods are tending to best results and to the preservation or reduction of fertility; what rotation and treatment will be most effective in retaining productive capacities of the soils of the various sections of the state and discover and demonstrate the best methods of marketing of fruits and vegetables.

(2) It shall conduct investigations calculated to develop the beef, pork and mutton producing interests of the state, and especially feeding experiments intended to demonstrate the most successful combination of stock foods, discovering, if possible, the most economical and successful methods of maintaining animals and fitting them for the market. It shall also conduct pathological investigations and investigate livestock conditions both at home and abroad, in so far as they affect market values.

(3) It shall conduct investigations for the purpose of developing the dairy interests of the state and undertake feeding experiments for production of milk and butter and the rearing of calves. It shall also study contagious diseases for the purpose of finding remedies for those diseases.

(4) It shall conduct investigations for the purpose of developing the horse interests of the state, and study the best methods of feeding and breeding, and diseases.

(5) It shall conduct experiments for the advancement of the poultry interests of the state and the economical production of poultry and eggs, including experiments in breeding for egg production and methods best adapted for hatching and raising of chicks.

(6) It shall bring the scientific knowledge which it obtains concerning agriculture and home economics, to the farm and home by means of personal visitation, correspondence, cooperative demonstrations and experiments and the solution of local problems by station experts visiting the locality and studying the problems of the farm and home.

(7) It shall conduct research and investigations for the purpose of advancing the development of a market for the commercial production of earthworms, including their potential for use in the areas of waste disposal and land reclamation.

Section 3. The commissioner and the dean of the college of agriculture of the University of Kentucky shall report the progress made in carrying out the provisions of Sections 3 and 4 of this Act to the Legislative Research Commission on or before January 15, 1981 and again on or before July 1, 1981 and thereafter as requested.

HR 73, A RESOLUTION urging the Commissioner of Agriculture to reduce the population of blackbirds and starlings in the state.

WHEREAS, blackbirds and starlings are an extreme source of nuisance to many citizens of the Commonwealth of Kentucky; and

WHEREAS, they are also a potential threat to the health of the citizens of this state by being a source for the fungus which causes histoplasmosis; and

WHEREAS, blackbirds and starlings also are destructive to some agricultural crops;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Commissioner of Agriculture is urged to exercise all possible means to reduce the population of blackbirds and starlings in this state, particularly through the use of the pesticide Starlicide, which is fairly effective.

Section 2. That a copy of this resolution be sent to the Commissioner of Agriculture.

The Committee Substitute to **HR 73** is as follows:

HR 73, A RESOLUTION requesting Congress and federal agencies to take definite action to reduce the population of blackbirds and starlings.

WHEREAS, blackbirds and starlings are an extreme source of nuisance to many citizens of the Commonwealth of Kentucky; and

WHEREAS, they are also a potential threat to the health of the citizens of this state by being a source for the fungus which causes histoplasmosis; and

WHEREAS, blackbirds and starlings also are destructive to some agricultural crops; and

WHEREAS, some blackbird and starling roosts in Kentucky contain 500,000 to 700,000 birds; and

WHEREAS, valuable real estate has been quarantined because it is a potential health hazard as a result of testing positive for Histoplasmosis capsulatum; and

WHEREAS, the federal Migratory Bird Treaty Act, the Animal Damage Control Act, and the National Environmental Policy Act make it extremely difficult to take action to significantly reduce the blackbird and starling population; and

WHEREAS, the approval of both the U.S. Fish and Wildlife Service and the U.S. Environmental Protection Agency must be obtained before applying certain pesticides to combat blackbirds and starlings;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress, the U.S. Fish and Wildlife Service, and the U.S. Environmental Protection Agency take action to make it possible for state and local governmental units to more easily and expeditiously obtain the pesticides necessary to effectively reduce the number of blackbirds and starlings.

Section 2. That such action by Congress and the federal agencies include, among other things, the amendment of the federal laws and regulations; permission to use under safe conditions the very effective pesticide, fenthion; and increased research for the development of effective and safe pesticides.

Section 3. That a copy of this resolution be sent to President Carter, Kentucky's congressional delegation, the U.S. Fish and Wildlife Service, the U.S. Environmental Protection Agency, the Kentucky Department of Agriculture , and the Kentucky Department of Human Resources.

The Committee on Judiciary reported **HB 53,** with Committee Substitutes attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Second Committee Substitute to **HB 53** is as follows:

HB 53, AN ACT relating to substances harmful to human health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

"Volatile substance" means any glue, cement, or paint or other substance containing a solvent or chemical having the property of releasing toxic vapors or fumes which when inhaled may cause a condition of intoxication, inebriation, stupefaction, dulling of the brain or nervous system, or distortion or disturbance of the auditory, visual, or mental processes.

(2) It shall be unlawful for any person to intentionally smell or inhale the fumes of any volatile substance, or to induce any other person to do so for the purpose of inducing a condition described in subsection (1) of this section.

(3) No person shall sell or offer for sale, deliver or give any volatile substance to any person for purposes of inhalation in violation of subsection (2) of this section.

Section 2. KRS 217.993 is amended to read as follows:

(1) Any person violating any provisions of Section 1(2) of this Act shall upon conviction be guilty of a Class B misdemeanor.

(2) Any person violating any provisions of KRS 217.650 to 217.710 shall be guilty of a misdemeanor and shall on conviction be subject to a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisonment for not more than thirty (30) days, or both. Each day of violation shall constitute a separate offense.

(a) Any person found guilty of inhaling a volatile substance in violation of Section 1(2) of this Act may be ordered to a facility designated by the secretary of the department for human resources, where a program of education, treatment and rehabilitation not to exceed ninety (90) days in duration shall be prescribed. The person ordered to the facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If without good cause, the person fails to appear at the designated facility within the specified time, or if any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment or may order the person subject to the fine or imprisonment, or both, for a Class B misdemeanor. Upon discharge of the person from the facility by the clinical director or his designee prior to the expiration of the ninety (90) day period or upon satisfactory completion of ninety (90) days of treatment, the person shall be deemed finally discharged from sentence. The clinical director or his designee shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary for human resources or his designee shall inform each court of the identity and location of the facility to which a person may be ordered under this section.

(c) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(d) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment by patients and others for services rendered by the department for human resources unless the facility shall arrange otherwise.

(e) None of the provisions of this section shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(3) Any person violating any provision of Section 1(3) of this Act shall upon conviction be guilty of a Class D felony.

SECTION 3. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

When any person removes any volatile substance from the container in which it is delivered to him and repackages it into containers not used in the ordinary course of business for the purpose of packaging such volatile substances and for the purpose of sale, a rebuttable presumption will be created that he intends to sell such substances for purposes prohibited by Section 1 of this Act.

The Committee on Judiciary reported **HB 273** with Committee Substitute attached thereto, **HB 617** with Committee Amendment attached thereto, and **SB 59** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 273, AN ACT relating to master commissioners.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 31A.010 is amended to read as follows:

(1) A master commissioner may be appointed for each county within a judicial circuit.

(a) In single-judge circuits the appointment shall be made by the circuit judge.

(b) In judicial circuits with more than one judge the master commissioner shall be chosen by a majority of the judges and in the event of a tie the chief circuit judge shall choose from those receiving the tie vote.

(2) The master commissioner shall be governed by such rules not inconsistent with the statutes of the Commonwealth as may be set by the Supreme Court and by the court employing him.

(3) The master commissioner shall serve at the pleasure of the court as follows:

(a) In a single-judge circuit the master commissioner shall serve at the pleasure of the circuit judge, but in no case shall his term exceed four (4) years without reappointment. The term of the commissioner shall automatically terminate following the death, resignation, or permanent replacement of the circuit judge who appointed him.

(b) In a judicial circuit with more than one judge the master commissioner shall serve at the pleasure of the judges of the circuit, but in no case shall his term exceed four (4) years without reappointment. The master commissioner may be removed at any time by a majority vote of the judges of the circuit and in the event of a tie the decision shall be made by the chief circuit judge.

(4) The master commissioner shall be compensated by fees as provided by rule of the Supreme Court. In counties other than those containing cities of the first and second class and urban-county governments his compensation shall not exceed the sum of seven thousand two hundred dollars ($7,200) per year exclusive of actual expenses. The circuit court may allow the commissioner a reasonable fee for performing judicial type functions in actions where the master commissioner does not execute a judicial sale, and such fee shall be allowed even if the allowance of such fee shall cause the annual salary of the master commissioner to exceed *twelve* [seven] thousand [two hundred] dollars *$12,000* [($7,200)] per year.

(5) The master commissioner shall maintain his office at such locations and during such hours as the chief circuit judge shall direct.

(6) The master commissioner shall perform such functions, including those of a receiver, as may be directed by an appropriate order of court.

(7) The master commissioner may have such deputies and assistants, approved by order of the chief circuit judge, as are necessary to perform the function of his office.

(8) The Supreme Court may make such rules, regulations, and accounting procedures as it may deem necessary for the appointment, conduct, and other matters relating to the master commissioner or receiver.

The Committee Substitute to **HB 273** is as follows:

HB 273, AN ACT relating to master commissioners.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 31A.010 is amended to read as follows:

(1) A master commissioner may be appointed for each county within a judicial circuit.

(a) In single-judge circuits the appointment shall be made by the circuit judge.

(b) In judicial circuits with more than one judge the master commissioner shall be chosen by a majority of the judges and in the event of a tie the chief circuit judge shall choose from those receiving the tie vote.

(2) The master commissioner shall be governed by such rules not inconsistent with the statutes of the Commonwealth as may be set by the Supreme Court and by the court employing him.

(3) The master commissioner shall serve at the pleasure of the court as follows:

(a) In a single-judge circuit the master commissioner shall serve at the pleasure of the circuit judge, but in no case shall his term exceed four (4) years without reappointment. The term of the commissioner shall automatically terminate following the death, resignation, or permanent replacement of the circuit judge who appointed him.

(b) In a judicial circuit with more than one judge the master commissioner shall serve at the pleasure of the judges of the circuit, but in no case shall his term exceed four (4) years without reappointment. The master commissioner may be removed at any time by a majority vote of the judges of the circuit and in the event of a tie the decision shall be made by the chief circuit judge.

(4) The master commissioner shall be compensated by fees as provided by rule of the Supreme Court. In counties other than those containing cities of the first and second class and urban-county governments his compensation shall not exceed the sum of *twelve* [seven] thousand [two hundred] dollars *($12,000)* [($7,200)] per year exclusive of actual expenses. The circuit court may allow the commissioner a reasonable fee for performing judicial type functions in actions where the master commissioner does not execute a judicial sale, and such fee shall be allowed even if the allowance of such fee shall cause the annual salary of the master commissioner to exceed *twelve* [seven] thousand [two hundred] dollars *$12,000* [($7,200)] per year.

(5) The master commissioner shall maintain his office at such locations and during such hours as the chief circuit judge shall direct.

(6) The master commissioner shall perform such functions, including those of a receiver, as may be directed by an appropriate order of court.

(7) The master commissioner may have such deputies and assistants, approved by order of the chief circuit judge, as are necessary to perform the function of his office.

(8) The Supreme Court may make such rules, regulations, and accounting procedures as it may deem necessary for the appointment, conduct, and other matters relating to the master commissioner or receiver.

HB 617, AN ACT relating to comparative fault.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

(1) In an action based on fault seeking to recover damages for injury or death to person or harm to property, any contributory fault chargeable to the claimant diminishes proportionately the amount awarded as compensatory damages for an injury attributable to the claimant's contributory fault, but does not bar recovery. This rule applies whether or not under prior law the claimant's contributory fault constituted a defense or was disregarded under applicable legal doctrines, such as last clear chance.

(2) "Fault" includes acts or omissions that are in any measure negligent or reckless toward the person or property of the actor or others, or that subjects a person to strict tort liability. The term also includes breach of warranty, unreasonable assumption of risk not constituting an enforceable express consent, misuse of a product for which the defendant otherwise would be liable, and unreasonable failure to avoid an injury or to mitigate damages. Legal requirements of causal relation apply both to fault as the basis for liability and to contributory fault.

SECTION 2. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

(1) In all actions involving fault of more than one (1) party to the action, including third-party defendants and persons who have been released under Section 6 of this Act, the court, unless otherwise agreed by all parties, shall instruct the jury to answer special interrogatories or, if there is no jury, shall make findings, indicating:

(a) The amount of damages each claimant would be entitled to recover if contributory fault is disregarded; and

(b) The percentage of the total fault of all of the parties to each claim that is allocated to each claimant, defendant, third-party defendant, and person who has been released from liability under Section 6 of this Act. For this purpose the court may determine that two (2) or more persons are to be treated as a single party.

(2) In determining the percentages of fault, the trier of fact shall consider both the nature of the conduct of each party at fault and the extent of the causal relation between the conduct and the damages claimed.

(3) The court shall determine the award of damages to each claimant in accordance with the findings, subject to any reduction under Section 6 of this Act, and enter judgment against each party liable on the basis of rules of joint-and-several liability. For purposes of contribution under Sections 4 and 5 of this Act, the court also shall determine and state in the judgment each party's equitable share of the obligation to each claimant in accordance with the respective percentages of fault.

(4) Upon motion made not later than one (1) year after judgment is entered, the court shall determine whether all or part of a party's equitable share of the obligation is uncollectible from that party, and shall reallocate any uncollectible amount among the other parties, including a claimant at fault, according to their respective percentages of fault. The party whose liability is reallocated is nonetheless subject to contribution and to any continuing liability to the claimant on the judgment.

SECTION 3. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

A claim and counterclaim shall not be set off against each other, except by agreement of both parties. On motion, however, the court, if it finds that the obligation of either party is likely to be uncollectible, may order that both parties make payment into court for distribution. The court shall distribute the funds received and declare obligations discharged as if the payment into court by either party had been a payment to the other party and any distribution of those funds back to the party making payment had been a payment to him by the other party.

SECTION 4. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

(1) A right of contribution exists between or among two (2) or more persons who are jointly and severally liable upon the same indivisible claim for the same injury, death, or harm, whether or not judgment has been recovered against all or any of them. It may be enforced either in the original action or by a separate action brought for that purpose. The basis for contribution is each person's equitable share of the obligation, including the equitable share of a claimant at fault, as determined in accordance with the provisions of Section 2 of this Act.

(2) Contribution is available to a person who enters into a settlement with a claimant only:

(a) If the liability of the person against whom contribution is sought has been extinguished; and

(b) To the extent that the amount paid in settlement was reasonable.

SECTION 5. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

(1) If the proportionate fault of the parties to a claim for contribution has been established previously by the court, as provided by Section 2 of this Act, a party paying more than his equitable share of the obligation, upon motion, may recover judgment for contribution.

(2) If the proportionate fault of the parties to the claim for contribution has not been established by the court, contribution may be enforced in a separate action, whether or not a judgment has been rendered against either the person seeking contribution or the person from whom contribution is being sought.

(3) If a judgment has been rendered. the action for contribution must be commenced within one (1) year after the judgment becomes final. If no judgment has been rendered, the person bringing the action for contribution either must have:

(a) Discharged by payment the common liability within the period of the statute of limitations applicable to the claimant's right of action against him, and commenced the action for contribution within one (1) year after payment, or

(b) Agreed while action was pending to discharge the common liability and, within one (1) year after the agreement, have paid the liability and commenced an action for contribution.

SECTION 6. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

A release, covenant not to sue, or similar agreement entered into by a claimant and a person liable discharges that person from all liability for contribution, but it does not discharge any other persons liable upon the same claim unless it so provides. However, the claim of the releasing person against other persons is reduced by the amount of the released person's equitable share of the obligation, determined in accordance with the provisions of Section 2 of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

This Act shall be applied and construed so as to effectuate its general purpose to make uniform the law with respect to the subject of this Act among states enacting it.

SECTION 8. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

This Act applies to all causes of action accruing after its effective date.

SECTION 9. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

This Act may be cited as the uniform comparative fault act.

The Committee Amendment No. 1 to **HB 617** is as follows:

Amend printed copy of **HB 617** on page 2, line 9 by deleting the word "shall" and substituting in lieu thereof the word "may";

and on page 2, line 10, by deleting the word "shall" and substituting in lieu thereof the word "may".

SB 59, AN ACT relating to juvenile session of district court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 208.200 is amended to read as follows:

(1) If in its decree the juvenile court finds that the child comes within the purview of subsections (1) or (2) of KRS 208.020, the court may, by order:

(a) Place the child on probation or under supervision in his own home or in a suitable family home or boarding home, upon such conditions as the court shall determine. Probation or supervision shall not be ordered or administered as a punishment, but as a measure for the protection, guidance and well-being of the child and his family. A child so placed on probation or supervision shall be subject to the visitation and supervision of a probation officer or a child welfare worker. Probation and supervision methods shall be directed to the discovery and correction of the basic causes of maladjustment and to the development of the child's personality and character, with the aid of the social resources of the community. A child so placed on probation or supervision shall remain subject to the jurisdiction of the court until he becomes eighteen (18) years of age, unless he is discharged prior thereto by the court*; provided, however, that a child so placed on probation or supervision may remain subject to the jurisdiction of the court until the age of nineteen (19) for the limited purpose of making state and federal educational programs available to him, if after reaching the age of eighteen (18) he indicates to the judge of the juvenile session of district court in open court that he so desires.*

(b) Commit the child to the custody or guardianship of the department or of a private institution or public agency authorized to care for such children, or place the child under the custody and the supervision of a suitable person. All orders of commitment may include such advisory recommendations as the court may deem proper in the best interests of the child and of the public. Such commitment or placement shall be until the age of eighteen (18) subject to the power of the court to terminate the order and discharge the child prior thereto *except that the commitment or placement may be until the age of twenty-one (21) if the child after reaching the age of eighteen (18) indicates to the judge of the juvenile session of district court in open court that he so desires. The extension of the commitment or placement beyond the age of eighteen (18) to age nineteen (19) shall be for the limited purpose of making state and federal educational programs available to the child.* The governing authorities of said department, agency or institution may likewise discharge the child unless the court directs otherwise. Prior to said discharge two weeks' notice must be given to the committing court, to the legal representative of the child and to the county attorney of the county in which committing court presides. During the period of commitment or placement, the court may review a dispositional order and may modify or terminate such order as the court deems essential to the best interests of the child. In committing a child to a private institution or agency the court shall select one that is approved by the department for human resources and children committed to such an institution or agency shall be subject to the visitation and supervision of a probation officer or child welfare worker.

(2) In the event a child who has not reached his eighteenth birthday commits a new offense while under the jurisdiction of the court or during the period of commitment the court shall have exclusive, original jurisdiction of the new offense.

(3) After a child has been disposed of as provided in paragraph (a) or (b) of subsection (1) of this section he may not then be transferred to the circuit court as provided for in KRS 208.170.

(4) If a child sixteen (16) years of age or older has been adjudicated delinquent in the commission of an offense classified as a misdemeanor or violation, the court in its discretion may order as follows:

(a) Participation in a community services work program. The work program shall be of a constructive nature designed to promote the rehabilitation of the child. The program shall be appropriate to the age level and physical ability of the child and shall be combined with counseling from a probation officer or other responsible person. The work program shall not be scheduled during such times that would interfere with educational, occupational, or religious obligations of the child. Assignment to a community services work program shall be made to a governmental or nonprofit community organization for a specified period of time, not to exceed one hundred and twenty (120) hours for a child adjudicated delinquent in the commission of a Class A misdemeanor, not to exceed eighty (80) hours for a child adjudicated delinquent in the commission of a Class B misdemeanor, and not to exceed forty (40) hours for a child adjudicated delinquent in the commission of an offense classified as a violation under the penal code. A child may be directed to participate in a community services work program as provided in this subsection for the purposes of restitution authorized by KRS 208.240.

(b) The court may impose a fine for a misdemeanor or violation offense. The imposition of a fine for a misdemeanor or violation offense committed by a child shall be based upon a determination that such disposition is in the best interest of the child and to aid in his rehabilitation. Any such order shall include a finding that the child is financially able to pay such fine.

(c) Fines shall be levied consistent with the schedule set forth below:

For a Class A misdemeanor, not to exceed $150;
For a Class B misdemeanor, not to exceed $75; and
For a violation, not to exceed fifty dollars ($50).

When a child is directed by the court to pay a fine, the court may provide for payment to be made within a specified period of time or in specified installments. If such provision is not made a part of the court's disposition, the fine shall be payable immediately.

(5) When a child has been ordered to comply with the provisions in subsection (4) above and fails to do so, the court upon motion of the prosecuting attorney or upon its own motion may require the child to show cause why he should not be held in detention for noncompliance with the court order. The court may issue an order of custody or a summons for his appearance.

(6) Following issuance of a show cause order pursuant to subsection (5) above, unless the child can show that noncompliance was not the result of an intentional refusal to comply with the court order or not the result of a failure to make a good faith effort to comply with the court order, the court may order the child detained as follows:

(a) For a period not to exceed five (5) days if the order is imposed for the commission of a Class A misdemeanor;

(b) For a period not to exceed three (3) days if the order is imposed for the commission of a Class B misdemeanor;

(c) For a period not to exceed two (2) days if the order is imposed for the commission of a violation.

Any detention imposed for failure to comply with the court order shall not be scheduled for a time that would interfere with the educational obligations of the child, and shall be in an approved detention facility as provided in KRS 208.130.

(7) When in the judgment of the court a disposition stated above in subsection (4) is inadequate to aid in the rehabilitation of a misdemeanor offender, the court in its discretion may order a child sixteen (16) years of age or older who has been adjudicated delinquent in the commission of an offense classified as a misdemeanor to detention in an approved detention facility as provided in KRS 208.130 based upon the schedule set forth below:

Class A misdemeanor, 1 to 30 days;
Class B misdemeanor, 1 to 15 days;

provided, that, the court shall advise the child prior to entering its order under this subsection that the child upon demand may receive a trial by jury in the regular session of district court, which trial and any appeal therefrom shall be conducted in accordance with the Rules of Criminal Procedure.

The detention of a juvenile misdemeanor offender shall not be scheduled to interfere with the educational obligations of the child. Detention may be scheduled during periods such as weekends, after school, or overnight. Any portion of a day spent in detention shall be deemed as one day for the purposes of serving a detention term.

(8) No adjudication by a juvenile court of the status of any child shall be deemed a conviction, nor shall such adjudication operate to impose any of the civil disabilities ordinarily resulting from a criminal conviction, nor shall any child be found guilty or be deemed a criminal by reason of such adjudication.

The Committee on State Government reported **HB 437, HB 453,** and **HB 609** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 437, AN ACT relating to the board of housing, buildings, and construction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.020 is amended to read as follows:

(1) There is hereby created the Kentucky board of housing, buildings and construction within the Kentucky department of housing, buildings and construction comprised of *nineteen (19)* [eighteen (18)] members to include: the commissioner of the department, one (1) local government fire chief selected by the governor from a list of three (3) submitted by the Kentucky Firemen's Association; the executive director of the Kentucky housing corporation; the commissioner of the bureau of health services, department for human resources; the attorney general or any assistant attorney general he may designate to represent the interests of consumers; one (1) professional homebuilder selected by the governor from a list of three (3) submitted by the Home Builders Association of Kentucky; one registered architect selected by the governor from a list of three (3) submitted by the Kentucky Society of Architects; one (1) registered structural engineer selected by the governor from a list of three (3) submitted by the Kentucky Society of Professional Engineers; one (1) registered mechanical engineer selected by the governor from a list of three (3) submitted by the Kentucky Society of Professional Engineers; one (1) registered electrical engineer selected by the governor from a list of three (3) submitted by the Kentucky Society of Professional Engineers; one (1) citizen member selected by the governor to represent the interests of low and moderate income housing consumers within the commonwealth of Kentucky; one (1) citizen member at large; one (1) practicing general contractor selected by the governor from a list of three (3) submitted by the Kentucky Association of General Contractors; one (1) practicing code administrator selected by the governor from a list of three (3) submitted by the Codes Administrators Association of Kentucky; one (1) realtor selected by the governor from a list of three (3) submitted by the Kentucky Association of Realtors; one (1) member selected by the governor from a list of three (3) submitted by the Kentucky State Building Trades Council; one (1) member selected by the governor from a list of three (3) submitted by the Kentucky Association of Plumbing, Heating and Cooling Contractors; [and] one (1) member selected by the governor from a list of three (3) submitted by the Mechanical Contractors Association*; and one (1) electrical contractor member selected by the governor from a list of three (3) submitted by the National Electrical Contractors Association.*

[(2) Nominations to the board shall be made to the governor by July 1, 1978. The governor shall make appointments to the board by July 31, 1978.]

(2)[(3)] Except for the commissioner of the department, the commissioner of the bureau of health services, the executive director of the Kentucky housing corporation and the attorney general or his designate who shall serve on the board during the term of their existing office and shall be voting members, board members shall be appointed for four (4) year terms, except that initially four (4) shall be appointed for two (2) year terms, four (4) shall be appointed for three (3) year terms, and six (6) shall be appointed for four (4) year terms. No board member shall be appointed for more than one successive term except as provided in subsection (4) of this section. The governor shall, within the limitations of this subsection, set the length of term of each of the initial appointees to the board.

(3)[(4)] Vacancies occurring on the board among those members appointed by the governor shall be filled by seeking nominations as in subsection (1) of this section from the organization which originally nominated the member who is to be replaced. A replacement for a board member shall be appointed immediately upon the expiration of the departing board member's term of service. Should a board member vacate his position on the board prior to the expiration of his term, his replacement shall be appointed for the period of the unexpired term. Should the unexpired term be less than two (2) years, the person selected to fill the unexpired term may subsequently be appointed to one (1) successive four (4) year term.

(4)[(5)] Members may be removed from the board by the governor for unethical conduct or for failure to attend three (3) or more successive meetings of the board without reasonable cause.

(5)[(6)] The board shall meet at least quarterly, and the first meeting shall occur no later than August 31, 1978. Before assuming their duties, members of the board shall take an oath as specified in Section 228 of the Constitution of Kentucky.

(6)[(7)] The commissioner of the department shall serve as chairman of the board. The board may elect from its members other officers as are required to conduct its business, except that neither the commissioner of the bureau of health services, the executive director of the Kentucky housing corporation nor the attorney general or his designate shall be elected to office on the board.

(7)[(8)] The board may adopt such rules, regulations and by-laws as are necessary to conduct its internal business.

(8)[(9)] No member of the board may vote on any matter which will result in his direct or indirect financial gain.

(9)[(10)] Those members of the board who are not salaried governmental employes shall be compensated for their time when attending board meetings or attending to official duties as directed by the board at the rate of fifty dollars ($50) per day. All board members shall be compensated for expenses incurred in the conduct of board business.

HB 453, AN ACT designating the Golden Knights Junior Drum and Bugle Corps as the official Junior Drum and Bugle Corps of the Commonwealth of Kentucky.

WHEREAS, competitive drum and bugle corps is a growing national youth activity; and

WHEREAS, except for the Golden Knights Junior Drum and Bugle Corps, our region is inadequately represented in the national drum corps arena; and

WHEREAS, the Golden Knights of Southgate, Kentucky have consistently taken to the competition field; and

WHEREAS, after eleven years of regional competition, the Golden Knights Junior Drum and Bugle Corps are ready to represent the Commonwealth of Kentucky in national competition with the other 600 corps in the United States and Canada;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The Golden Knights Junior Drum and Bugle Corps of Southgate, Kentucky is designated the official Junior Drum and Bugle Corps of the Commonwealth of Kentucky.

HB 609, AN ACT to revise and correct the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 6.795 is amended to read as follows:

(1) No legislator, by himself or through others, shall use or attempt to use any means to influence a state agency in derogation of the public interest at large.

(2) Whenever a legislator appears before a state agency he shall avoid all conduct which might in any way lead members of the general public to conclude that he is using his official position to further his professional or personal or private interest.

(3) No legislator shall, for compensation, appear before a state agency as an expert witness.

(4) No legislator shall receive or agree to receive compensation for representing any person in any transaction involving the state, provided that this subsection shall not apply to:

(a) A legislator representing a person when such representation requires the legislator to possess a special license, permit or technical knowledge to properly represent the person;

(b) An attorney appearing or negotiating on behalf of his client in any matter involving the state in any court in an action involving the state or before any state agency;

(c) A legislator making inquiry for information on behalf of another from any state agency if no fee or reward is given or promised in consequence thereof;

(d) A legislator representing a constituent before a state agency if no fee or reward is given or promised in consequence thereof; or

(e) Any firm or association with which a legislator is associated appearing or rendering services in relation to any matter or transacting business with a state agency unless the fact of that association is used to influence or attempt to influence the state agency in rendering its decision.

(5) No legislator shall receive or enter into any express or implied agreement to receive compensation for services to be rendered in relation to any case, proceeding, application or other matter before any state agency, whereby his compensation is to be dependent or contingent upon any action by such agency with respect to any license, contract, certificate, ruling, decision, opinion, rate schedule, franchise or other benefit other than a monetary claim. Nothing in this section shall be deemed to prohibit the fixing at any time of fees based upon the usual and customary value of the services rendered.

(6) No legislator shall knowingly receive or agree to receive, directly or indirectly, compensation for any services to be rendered, either by himself or another, in negotiations with the state or an agency as defined in KRS *45A.335* [61.094] for the purchase by the state or an agency of an interest in real property. This section shall not apply to appearances before any court.

(7) No legislator shall enter into any agreement, expressed or implied, for compensation for services in connection with any judicial or administrative proceeding before a state agency wherein his official position might reasonably be expected to give him unusual influence.

(8) Whenever a legislator considers entering into an agreement for compensation for representing any person in any transaction involving the state, he should consider the following factors:

(a) Whether the matter is being brought to him in an attempt to obtain improper influence over the state agency;

(b) Whether there is a reasonable possibility that the action of the state agency will be unduly influenced because of his participation; or

(c) The effect of his participation on public confidence in the integrity of the legislature.

Section 2. KRS 12.027 is amended to read as follows:

When the Governor effects a reorganization under KRS 12.025 [or 12.030], by executive order, he shall clearly designate the order as one relating to reorganization. The Secretary of State shall keep a copy of all executive orders relating to organization.

Section 3. KRS 17.250 is amended to read as follows:

The commissioner of insurance shall allot on an annual basis the funds appropriated for fire department aid in the amounts not to exceed $2,000 to the fire departments in cities of all classes, fire *protection* [prevention] districts organized pursuant to KRS chapter 75, county districts established under authority of KRS 67.320, and all other organized fire departments recognized by the commissioner of insurance as fire departments operated and maintained on a nonprofit basis in the interest of the health, safety, prosperity and security of the inhabitants of the Commonwealth. He shall prescribe regulations and standards for determining the amounts to be granted. Such standards shall be based on the number of both paid fire fighters and volunteer firemen, the amount of equipment, housing facilities available and such other matters or standards as will best effect the purposes of the fire department aid law. No allotment shall exceed the total value of the funds, equipment, lands and buildings made available to the local fire units from any source whatever for the year in which the allotment is made. A portion of the funds provided for above may be used to purchase group or blanket health insurance and the remaining funds shall be distributed as set forth in this section.

SECTION 4. KRS 17.410 IS AMENDED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 198B TO READ AS FOLLOWS:

As used in *Sections 5 to 7 of this Act* [KRS 17.420 to 17.440]:

(1) "Safety glazing material" means any glazing material, such as tempered glass, laminated glass, wire glass or rigid plastic, which meets the test requirements of ANSI Standard Z-97.1-1966 and such further requirements as may be adopted by the department of insurance and which is so constructed, treated, or combined with other materials as to minimize the likelihood of cutting and piercing injuries resulting from human contact with the glazing material;

(2) "Hazardous locations" means those installations, glazed or to be glazed, in residential, commercial and public buildings known as sliding glass doors, framed or unframed glass doors and adjacent fixed glazed panels which may be mistaken for means of ingress or egress, storm doors, shower doors, and tub inclosures, whether or not the glazing in such doors, panels or inclosures is transparent, and in any other area wherein the use of other than safety glazing materials would constitute a hazard.

SECTION 5. KRS 17.420 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 198B TO READ AS FOLLOWS:

(1) Each light of safety glazing material manufactured, distributed, imported, or sold for use in hazardous locations or installed in such a location within the Commonwealth of Kentucky shall be permanently labeled by such means as etching, sandblasting or firing ceramic material on the safety glazing material. The label shall identify the labeler, whether manufacturer, fabricator or installer, and the nominal thickness and the type of safety glazing material and the fact that said material meets the test requirements of ANSI Standard Z-97.1-1966 and such further requirements as may be adopted by the department of insurance. The label must be legible and visible after installation.

(2) Such safety glazing labeling shall not be used on other than safety glazing materials.

SECTION 6. KRS 17.430 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 198B TO READ AS FOLLOWS:

It shall be unlawful within the Commonwealth of Kentucky to knowingly sell, fabricate, assemble, glaze, install, consent or cause to be installed glazing materials other than safety glazing materials in, or for use in, any hazardous location.

SECTION 7. KRS 17.440 IS AMENDED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 198B TO READ AS FOLLOWS:

No liability under *Sections 5 to 7 of this Act* [KRS 17.410 to 17.440] shall be created as to workmen who are employes of a contractor, subcontractor, or other employer responsible for compliance with *Sections 5 to 7 of this Act* [KRS 17.410 to 17.440].

Section 8. KRS 17.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 17.310 to 17.340 shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500).

(2) [Any person who violates the provisions of KRS 17.410 to 17.440 shall be fined not less than $50 nor more than $500, or be imprisoned for not more than one (1) year, or both.

(3)] Any public official or employe who knowingly or intentionally makes, or causes to be made, a false return of information to the bureau shall be punished by confinement in jail for not more than ninety (90) days, by a fine not exceeding $500, or both.

SECTION 9. A NEW SECTION OF KRS CHAPTER 198B IS CREATED TO READ AS FOLLOWS:

Any person who violates the provisions of Sections 5 to 7 of this Act shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500), or be imprisoned for not more than one (1) year, or both.

SECTION 10. KRS 26A.250 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 15 TO READ AS FOLLOWS:

(1) For the purposes of this section the following words or phrases shall have the meaning indicated:

(a) "Proceeding" includes pretrial, trial, appellate review, or other stages of litigation;

(b) "Fiduciary" includes such relationships as executor, administrator, trustee, and guardian;

(c) "Financial interest" means ownership of a legal or equitable interest, however small, or a relationship as director, adviser, or other active participant in the affairs of a party, except that:

1. Ownership in a mutual or common investment fund that holds securities, or a proprietary interest of a policyholder in a mutual insurance company, of a depositor in a mutual savings association, or a similar proprietary interest, or ownership of government securities is a "financial interest" only if the outcome of the proceeding could substantially affect the value of the interest;

2. An office in an educational, religious, charitable, fraternal, or civil organization is not a "financial interest" in securities held by the organization.

(2) Any prosecuting attorney shall disqualify himself in any proceeding in which he or his spouse, or a member of his immediate family either individually or as a fiduciary:

(a) Is a party to the proceeding, or an officer, director, or trustee of a party;

(b) Is acting as a lawyer in the proceeding;

(c) Is known by the prosecuting attorney to have an interest that could be substantially affected by the outcome of the proceeding;

(d) Is to the prosecuting attorney's knowledge likely to be a material witness in the proceeding;

(e) Has served in private practice or government service, other than as a prosecuting attorney, as a lawyer or rendered a legal opinion in the matter in controversy;

(f) Has a financial interest in the subject matter in controversy or in a party to the proceeding, or any other interest that could be substantially affected by the outcome of the proceeding.

(3) Any prosecuting attorney may be disqualified by the court in which the proceeding is presently pending, upon a showing of actual prejudice.

(4) In the event that a prosecuting attorney is disqualified, he shall certify such fact in writing to the attorney general who may direct another commonwealth's attorney or county attorney or an assistant attorney general as a special prosecutor to represent the Commonwealth in that proceeding.

Section 11. KRS 31.120 is amended to read as follows:

(1) The determination of whether a person covered by KRS 31.110 is a needy person shall be deferred no later than his first appearance in court or in a suit for payment or reimbursement under KRS *31.150* [31.170], whichever occurs earlier. Thereafter, the court concerned shall determine, with respect to each step in the proceedings, whether he is a needy person. However, nothing herein shall prevent appointment of counsel at the earliest necessary proceeding at which said person is entitled to counsel, upon declaration by said person that he is needy under the terms of this chapter. In such event the person involved shall be required to make reimbursement for the representation involved if he later is determined not a needy person under the terms of this chapter.

(2) In determining whether a person is a needy person and in determining the extent of his inability to pay, the court concerned shall consider such factors as income, property owned, outstanding obligations, and the number and ages of his dependents. Release on bail, or any other method of release provided in KRS Chapter 431, does not necessarily prevent him from being a needy person. In each case, the person, subject to the penalties for perjury, shall certify by affidavit of indigency compiled by the pre-trial release officer, where practical, as provided under Chapter 431 and Supreme Court rules or orders promulgated pursuant thereto, such material factors relating to his ability to pay in such form as the Supreme Court prescribes.

(3) To the extent that a person covered by KRS 31.110 is able to provide for an attorney, the other necessary services and facilities of representation, and court costs, the court shall order him to provide for their payment in an amount determined by the court and may order that such payment be made in a lump sum or by installment payments. Such determination shall be made at each stage of the proceedings.

(4) The court shall order all monies collected pursuant to subsection (3) above be paid to the clerk of that court pursuant to the schedule of payment. The clerk shall forward to the office for public advocacy on a monthly basis a copy of all such orders and the monies collected pursuant thereto with an accounting as to each case.

(5) The affidavit of indigency shall be as set out herein:

Commonwealth of Kentucky
County of ______________________________
Affiant ________________________, being first duly sworn says that he is not now represented by private counsel and that he does not have the money or assets out of which to employ one; that he is indigent and requests the court to appoint counsel.

Affiant states that his income is ____________________; that he owns the following property:

Description	Value
________________	________________
________________	________________
________________	________________;

that he has the following dependents:

Name	Age	Relationship
________________	________	________________
________________	________	________________
________________	________	________________;

and that he has the following obligations:

To whom owed	Amount owing
________________	________________
________________	________________
________________	________________.

____
Signature of affiant

Subscribed and sworn to before me this ________, day of ________________, 19____.

____
Signature and title of officer
administering the oath

Any persons making false statements in the above affidavit shall be subject to the penalties for perjury under KRS Chapter 523, the maximum penalty for which is five years imprisonment.

Section 12. KRS 31.170 is amended to read as follows:

(1) If the fiscal court of a county elects to establish and maintain an office for public advocacy, it shall:

(a) Appoint the district public advocate and any number of assistant district public advocates necessary to adequately perform the functions of said office.

(b) Prescribe the qualification of the district public advocate, his term of office which may not be more than four (4) years and fix the rate of annual compensation for him and his assistants. In order to be qualified for appointment as public advocate a person must have been admitted to the practice of law and licensed to practice in the Commonwealth of Kentucky and be competent to counsel and defend a person charged with a crime.

(c) Provide for the establishment, maintenance and support of his office.

(2) If the fiscal court of a county elects to arrange with a nonprofit organization to provide attorneys, the county and any cities involved may reimburse the organization for such expenses as the fiscal courts respectively concerned have determined to be necessary in the representation of needy persons under this chapter, or may provide facilities described in KRS 31.180(2)(a) in addition to or in lieu of said reimbursement.

(3) If a court assigns an attorney to represent a needy person it shall prescribe a reasonable rate of compensation for his services and shall determine the direct expenses necessary to representation for which he would be reimbursed. The county shall pay the attorney the amounts so prescribed from the funds made available by the office for public advocacy.

(4) An attorney under subsection *(3)* [(1)] shall be compensated for his services with regard to the complexity of the issues, the time involved, and other relevant considerations. However, he may be compensated at a rate no higher than thirty-five dollars ($35) an hour for time spent in court and no higher than twenty-five dollars ($25) an hour for time spent out of court subject in each case to a maximum total fee of one thousand two hundred fifty dollars ($1,250) in case of a felony and five hundred dollars ($500) in any other case, unless the court concerned finds that special circumstances warrant a higher total fee.

Section 13. KRS 32.031 is amended to read as follows:

Each circuit judge may employ a secretary. The secretary shall be appointed by and shall hold office at the pleasure of the judge. The salary for the secretary, payable out of the state treasury, shall be commensurate with the secretary's education, training and experience based upon the guidelines established by the classification and compensation plan for comparable positions maintained by the state department of personnel pursuant to KRS 64.640. Persons employed as secretaries to circuit judges shall be members of the Kentucky employes retirement system in accordance with the provisions of KRS 61.510 to *61.692* [61.700].

Section 14. KRS 36.070 is amended to read as follows:

The facilities division shall be headed by a director experienced in the administration of real property. The division may make contracts, acquire real and personal property by gift, purchase, or by condemnation in the manner prescribed in the Eminent Domain Act of Kentucky, and may do all things necessary to perform its duties under *this section* [KRS 36.070] to *KRS 36.080* [36.090].

Section 15. KRS 42.010 is amended to read as follows:

As used in KRS *42.023 to 42.030* [42.020 to 42.050], unless the context requires otherwise, "state agency" means any state administrative body, agency, department or division as defined by KRS 12.010.

Section 16. KRS 45.155 is amended to read as follows:

The executive department for finance and administration, within budgetary limits fixed by any appropriations made by the general assembly for such purpose, shall contract with the city of Frankfort for the provision by the city to state agencies located at the seat of government for fire and police protection of state-owned property and other municipal services as are provided by the city to commercial and industrial taxpayers *residing* [resident] in the city of Frankfort.

Section 17. KRS 47.010 is amended to read as follows:

(1) Except as provided in this chapter and in KRS 342.480 [and 342.485], all state revenue shall be credited to the general fund.

(2) All revenues realized from the gasoline tax imposed by KRS 138.220 or from any gasoline tax hereafter imposed by law, shall be credited to the state road fund.

(3) All fees and taxes collected under the provisions of KRS chapter 281, and all revenue realized from any motor bus license tax hereafter imposed by law, shall be credited to the state road fund.

(4) All funds appropriated by law to revolving funds pursuant to the provisions of KRS 45.140 shall be credited to such revolving funds.

(5) All funds collected under the provisions of KRS 278.120 to 278.150 for the support of the energy regulatory commission and the utility regulatory commission shall be credited as provided in those sections.

Section 18. KRS 61.559 is amended to read as follows:

(1) In lieu of any other benefits due under KRS *61.510* [61.505] to 61.692 and KRS 78.520 to 78.852 a member who has attained the age of sixty-five (65) may elect to receive an annual retirement allowance payable monthly or less frequently as determined by the board which shall be determined by multiplying his accumulated contributions by two (2) and converting this amount to an annual retirement allowance based on an annuity rate adopted by the board which would pay the actuarial equivalent of twice his accumulated contributions over the lifetime of the retired member.

(2) A member sixty-five (65) years of age or older is eligible for a retirement allowance determined under KRS 61.595 provided such member has forty-eight (48) months of service, at least twelve (12) of which are current service, or a retirement allowance determined under KRS 61.595 prior to age 65 provided:

(a) The member has attained age 55 and has service of sixty (60) months at least twelve (12) of which are current service; or

(b) The member is a retired member of the state police retirement system, has attained age 55, and has service of forty-eight (48) months at least twelve (12) of which are current service; or

(c) The member has thirty (30) or more years of service at least fifteen (15) of which are current service; or

(d) The member has attained age 55 and was an employe of a parted employer at the time his employer became ineligible to continue participation in the system, and his service in the system when added to his service with the parted employer subsequent to his separation from state government equals the early retirement service eligibility requirement of the system on the date his employer became ineligible to continue participation in the system.

Section 19. KRS 61.680 is amended to read as follows:

(1) Every employe shall be deemed to consent and agree to any deduction from his compensation required by KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and to all other provisions thereof.

(2) (a) Notwithstanding any other provisions of KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and 161.220 to *161.714* [161.715], upon death, disability, or service retirement a member's accounts under the state police retirement system, Kentucky employes retirement system, county employes retirement system and teachers' retirement system shall be consolidated for the purpose of determining eligibility and amount of benefits. The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation shall be determined as if all service were in one system. If the member has prior service in more than one system, he must obtain at least twelve (12) months' current service in each system in which he has prior service in order to validate such prior service in each system for purposes of determining consolidated benefits under this section. Upon the determination of benefits each system shall pay the applicable percentage of total benefits.

(b) The provisions of subsection (2)(a) of this section shall be waived if the member notifies the board of his desire to maintain separate retirement accounts in the state police retirement system, Kentucky employes retirement system or county employes retirement system, or if he is a member of the state police retirement system or is working in a hazardous position under the Kentucky employes retirement system or county employes retirement system and as a result of an act in line of duty becomes disabled or deceased.

(c) If the member has not contributed at least one year in a system in which he has prior service his current service in such system shall be valid for purposes of determining eligibility and in computation of benefits on a consolidated basis.

(3) A member with service credit in the Kentucky employes retirement system, state police retirement system or the county employes retirement system who enters the service of a department, board, agency or instrumentality of the Commonwealth whereby such person would be eligible for membership in the judicial retirement system may elect to retain membership in the system in which he is a member, either the Kentucky employes retirement system, state police retirement system or the county employes retirement system. When such an election is made, the agency employing the member shall withhold employe contributions, make employer contributions and remit these contributions to the system in which the member retained his membership.

(4) (a) Prior to July 1, 1976 a person entering the service of an employer participating in the Kentucky employes retirement system or the county employes retirement system with service credit in the teachers' retirement system and who desires to retain membership in the teachers' retirement system, and who is permitted by that system to continue is hereby exempt from participating in the Kentucky employes retirement system or the county employes retirement system.

(b) Any person who has elected to retain membership in the teachers' retirement system as provided in subsection (a) of this section may cancel his election and participate in the system under which his position would normally participate, provided he elects to cancel his option prior to January 1, 1977.

(c) Any member of the general assembly who upon election is a contributing member of the teachers' retirement system may elect to retain membership in the teachers' retirement system during his term of office rather than participate in the Kentucky employes retirement system. Such election to retain membership in the teachers' retirement system must be filed in writing within ninety (90) days after his term or office begins or he will participate in the Kentucky employes retirement system during his term of office. No contributions may be made to the teachers' retirement system for the same period of service under the Kentucky employes retirement system as a member of the general assembly.

(5) Effective July 1, 1974 any member of the Kentucky employes retirement system or county employes retirement system who is working in a position covered by one of these retirement systems and his employe contributions, service credit and employer contributions made on his behalf are being transferred to the other retirement system shall contribute to the system in which his employer participates and no further contributions or service credit shall be transferred to the system in which he elected to retain membership as subsection (2) of this section eliminates the necessity of such transfers.

(6) Notwithstanding the provisions of subsection (3) of this section and KRS 21.375, a person entering membership of the judicial retirement system with service credit in the state police retirement system, Kentucky employes retirement system, county employes retirement system or teachers' retirement system will become vested for early and normal retirement benefits in each system in which he has service credit when his combined service credit in all systems is equal to that required for vesting in each respective system.

Section 20. KRS 61.900 is amended to read as follows:

As used in KRS 61.902 to 61.930.

(1) "Commission" means a commission issued to an individual by the secretary of justice, entitling such individual to perform special law enforcement duties on public property.

(2) "Council" means the Kentucky law enforcement council.

(3) "Department" means the department of justice.

(4) "Public property" means property currently owned or used by any organizational unit or agency of state, county, city, metropolitan government, or a combination of these. The term shall include property currently owned or used by public airport authorities.

(5) "Secretary" means the secretary of the department of justice.

(6) "Special law enforcement officer":

(a) Means one whose duties include the protection of specific public property from intrusion, entry, larceny, vandalism, abuse, intermeddling, or trespass; and

(b) Means one whose duties include the prevention, observation or detection of, or apprehension for, any unlawful activity on specific public property; and

(c) Means one whose special duties include the control of the operation, speed and parking of motor vehicles, bicycles and other vehicles, and the movement of pedestrian traffic on specific public property; and

(d) Means one whose duties include the answering of any intrusion alarm on specific public property; and

(e) Shall include the capitol police, the capital plaza police, public school district security officers, public airport authority security officers, and the officers of the other public security forces established for the purpose of protecting specific public property; and

(f) Shall not include members of a lawfully organized police unit or police force of state, county, city, or metropolitan government, or a combination of these, who are responsible for the detection of crime and the enforcement of the general criminal law enforcement of the state; it shall not include any of the following officials or officers:

(i) Sheriffs, sworn deputy sheriffs, city marshals, constables, sworn deputy constables, and coroners;

(ii) Auxiliary and reserve police appointed under KRS [70.545,] 95.160, 95.445, or 95.740;

(iii) State park rangers and conservation officers;

(iv) Officers of the division of motor transportation and division of boating responsible for law enforcement;

(v) Officers of the bureau of corrections responsible for law enforcement;

(vi) Fire marshals and deputy fire marshals;

(vii) Other officers not mentioned above who are employed directly by state government and are responsible for law enforcement;

(viii) Federal peace officers;

(ix) Those campus security officers who are commissioned under KRS 164.950;

(x) Private security guards, private security patrolmen, and investigators licensed pursuant to state statute;

(xi) Railroad policemen covered by KRS 277.270 and 277.280.

(7) "Sworn public peace officer" means one who derives plenary or special law enforcement powers from, and is a full-time employe of, the federal government, the Commonwealth, of any political subdivision, agency, department, branch or service of either, or of any municipality.

Section 21. KRS 61.930 is amended to read as follows:

KRS 61.900 to *61.926* [61.928] may be cited as "The Special Law Enforcement Officer Act."

Section 22. KRS 61.990 is amended to read as follows:

(1) Any person who violates any provision of KRS *45A.330* [61.092] to *45A.340* [61.096], upon conviction, shall be punished by confinement in the penitentiary for not less than six (6) months, nor more than two (2) years, or fined not less than two hundred dollars ($200) nor more than one thousand dollars ($1,000), or both, and in addition he shall be adjudged to have forfeited any statutory office or employment which he may hold.

(2) Any person who violates any of the provisions of KRS 61.360 shall be fined not less than twenty-five dollars ($25) nor more than five hundred dollars ($500) or be imprisoned not less than ten (10) days nor more than sixty (60) days, or both.

Section 23. KRS 62.160 is amended to read as follows:

(1) The state officers elected by the voters of the state at large (except the governor and lieutenant governor), the heads of departments and cabinets of the state government, the adjutant general, the members of the energy regulatory commission and the utility regulatory commission, the members of the state fair board and fish and wildlife resources commission, and the members of the Kentucky board of tax appeals and the alcoholic beverage control board, shall each give bond. The amounts of the bonds shall be fixed by the governor, which amounts as to those offices set forth in subsection (2) of this section shall be not less than the amounts set forth for the respective offices. At any time when it appears to be to the interest of the Commonwealth the governor may increase the penal sum of any bond or require a renewal thereof with other or additional surety.

(2) The minimum sum of the bond for the following offices shall be as follows:

Secretary of State	$ 10,000
Attorney General	10,000
State Treasurer	300,000
Secretary for Development	10,000
Commissioner of Agriculture	10,000
Secretary for Education and the Arts	10,000
Superintendent of Public Instruction	50,000
Auditor of Public Accounts	25,000
Clerk of Court of Appeals	10,000
Adjutant General	10,000
Secretary for Executive Department for Finance and Administration	100,000
Commissioner of Revenue	50,000
Secretary of Transportation	50,000
Commissioner of Highways	50,000
Secretary of Justice	*50,000* [25,000]
Commissioner of Corrections	25,000
Commissioner for Health Services	10,000
Commissioner of Labor	5,000

Commissioner of Surface Mining	50,000
State Librarian	5,000
Commissioner of Mines and Minerals	5,000
Commissioner of Alcoholic Beverage Control	10,000
Commissioner of Banking and Securities	25,000
Secretary for Natural Resources and Environmental Protection	10,000
Commissioner of Insurance	50,000
Commissioner of Vehicle Regulation	10,000
Commissioner of Fish and Wildlife Resources	5,000
Secretary for Human Resources	20,000
Commissioner for Environmental Quality	10,000
Secretary for Public Protection and Regulation	10,000
Commissioner for Social Insurance	20,000
Member of Energy regulatory commission or utility regulatory commission	10,000
Member of State Fair Board	10,000
Member of Fish and Wildlife Resources Commission	1,000
Member of Kentucky Board of Tax Appeals	10,000
Associate member of Alcoholic Beverage Control Board	5,000
Commissioner of local government	100,000

Section 24. KRS 64.258 is amended to read as follows:

(1) The fiscal court of any county may pay to each justice of the peace within the county a sum not to exceed $100 per month in order to assist with the expenses of his office. This sum shall not be considered as salary [within the meaning of KRS 64.255].

(2) The amounts paid to each justice of the peace within the county shall be equal. No justice shall be compensated in a greater or lesser amount than another justice.

(3) Said amount may be paid by the fiscal court only when the county possesses sufficient excess funds in its treasury to permit such payments. Payments shall not be made where the funds are not sufficient to pay all of the justices.

Section 25. KRS 64.347 is amended to read as follows:

The population of a county shall, for the purposes of KRS [64.270,] 64.345, *and* 64.346[, and subsections (2) and (3) of KRS 27.080], be determined by the most recent federal decennial census enumeration, provided however that the provisions of those sections and subsections shall not become operative to such officers mentioned therein during their term, in counties determined to have acquired, since the last census, a population of more than 75,000.

Section 26. KRS 64.550 is amended to read as follows:

Nothing in KRS 64.480 to *64.740* [64.760] is intended to authorize the fiscal court of any county to create any office or make any employment not authorized by law.

Section 27. KRS 64.610 is amended to read as follows:

Any county or city board or commission, or combined city-county board or commission, which now has authority by law to fix the compensation of its employes, either with or without statutory limits, shall have power to fix the compensation of its employes subject only to the limitations contained in KRS 64.480 to *64.740* [64.760].

Section 28. KRS 64.630 is amended to read as follows:

Nothing in KRS 64.480 to *64.740* [64.760] is intended to change or to authorize any public officer or body to change the amount or rate of any fee or percentage prescribed by law, it being the intention of KRS 64.480 to *64.740* [64.760], with respect to officers receiving compensation from fees or percentages, to fix or provide for the fixing of the maximum compensation that may be received by the officer, and not the sources of such compensation.

Section 29. KRS 64.660 is amended to read as follows:

Nothing in KRS 64.480 to *64.740* [64.760] is intended to authorize the increase of the compensation now fixed by law for the members of any public board or commission for their services as members of the board or commission, except members of fiscal courts to the extent authorized in subsection (3) of KRS 64.530.

Section 30. KRS 64.730 is amended to read as follows:

Where any public body is required by KRS 64.480 to *64.740* [64.760] to fix the compensation of an officer, and of his deputies and assistants, for terms commencing after June 30, 1950, not later than the first Monday in May in the year in which such officers are elected, and the body fails to do so, the compensation of the officer, and of his deputies and assistants, shall be the same as for the preceding term.

Section 31. KRS 64.740 is amended to read as follows:

Nothing in KRS 64.480 to *64.740* [64.760] is intended to supersede any existing provision of law with respect to protection of employes under civil service against reduction of compensation.

Section 32. KRS 64.741 is amended to read as follows:

(1) As used in KRS 6.191[, 6.193] and 64.742 to 64.745 unless the context otherwise requires:

(a) "Biennial income" means the total amount received from the state treasury by each member of the legislature under KRS 6.190 to 6.225 and KRS 7.090 to 7.110 during each two-year period commencing January 1 of every even-numbered year;

(b) "Commission" means the public officials compensation commission;

(c) "Fixed biennial income" means that portion of biennial income received by each member of the legislature under KRS 6.213 and, during regular sessions of the general assembly, under KRS 6.190 to 6.220, excluding any income received by standing committee chairmen and the president pro tem of the senate during sessions of the general assembly in excess of that income received by other members;

(d) "Variable biennial income" means that portion of biennial income which is not fixed income, including that income received by standing committee chairmen and the president pro tem of the senate under KRS 6.190 which is in excess of the income received by other members, income received by each member of the general assembly during any extraordinary session of the general assembly, income received by the speaker of the house of representatives and the president pro tem of the senate under KRS 6.225, and income received by each member of the legislature under KRS 7.090 to 7.110.

Section 33. KRS 64.770 is amended to read as follows:

(1) The county officials' compensation board is hereby created and shall consist of the secretary of the executive department for finance and administration, the state-local finance officer, the president of each of the state associations of county clerks, county judges*/executive*, county attorneys, justices of the peace and commissioners, sheriffs, jailers, and coroners, three (3) members of the general assembly appointed by the legislative research commission, and two (2) citizens of the Commonwealth appointed by the governor. The legislative members shall be appointed for terms of two (2) years, unless their legislative term expires prior to the expiration of their term on the board, in which case a vacancy shall exist. Citizen members shall be appointed for terms of four (4) years. The terms of the members representing the state associations shall be identical to the term of their office as president of the state association. Vacancies shall be filled for the unexpired portion of any term in the same manner as an original appointment. The secretary of the executive department for finance and administration may, by written order filed with the chairman of the board, designate a deputy or other representative in his department to serve in his stead and to perform his duties as a member of the board in his absence. Such designation shall be deemed temporary and shall not affect the merit system or retirement rights of any person so designated.

(2) No salary or other compensation shall be allowed any member of the board, but each member may be reimbursed for actual and necessary expenses incurred in the performance of his official duties.

(3) The board shall select one (1) of its members as chairman and another member as vice-chairman at its first regular meeting in each calendar year. The secretary of the executive department for finance and administration shall be secretary of the board and his office shall be responsible for administering the clerical functions of the board.

(4) The board shall hold regular meetings at least once every three (3) months. Special meetings may be called by the chairman or by five (5) members of the board by delivery of a written notice to the office or residence of each member of the board at least ten (10) days in advance of the date of any special meeting. Eight (8) members of the board shall constitute a quorum at any meeting. The board shall establish bylaws for the conduct of its meetings and shall keep an accurate record of all its proceedings.

(5) The board may employ and compensate such personnel and consultants as may be necessary to effectuate the provisions of KRS 64.780.

Section 34. KRS 65.040 is amended to read as follows:

(1) Upon approval of the fiscal courts of the counties involved, two or more counties may join together to form a special [purpose] district to fulfill any purpose which any individual county is presently authorized to fulfill or may be authorized to fulfill in the future.

(2) The membership of the governing body of such multi-county special [purpose] districts shall be apportioned among the counties in ratio to their population, with each county having at least one member.

Section 35. KRS 65.050 is amended to read as follows:

(1) Any special [purpose] district may be expanded to include additional counties within its jurisdiction for performing the function for which it was organized.

(2) Before a county may participate in a multi-county special [purpose] district, the fiscal court shall determine that participation is feasible and necessary. The determination shall be made only after a duly advertised public hearing has been held by the fiscal court.

(3) When a county is added to a multi-county special [purpose] district, it shall be given representation on the governing body of the district in the same manner as the other counties within the district.

Section 36. KRS 65.720 is amended to read as follows:

No provisions of KRS 65.710 shall be construed as to limit the power of any city or county to contract for services under requirements which are stricter than those listed in KRS 65.710 *and 65.720* [to 65.730], or to require insurance or bonding of contractors, provided such provisions are not in conflict with the requirements of KRS 65.710 to *65.720* [65.730].

Section 37. KRS 66.280 is amended to read as follows:

(1) Whenever used in KRS *66.300* [66.290] to 66.390, unless the context requires otherwise:

(a) "Commission" means the county debt commission as hereinafter established;

(b) "State local finance officer" means the secretary of the executive department for finance and administration or his agent designated in writing with the approval of the governor;

(c) "Fiscal court" means the county judge/executive and the justices of the peace or the county judge/executive and the commissioners of the county;

(d) "Funding bonds" or "funded indebtedness" means bonds issued to fund floating indebtedness, or reissues thereof;

(e) "Road and bridge bonds" means county road and bridge bonds issued under the authorization of section 157a of the constitution of Kentucky, or reissues thereof;

(f) "Refunding bonds" means bonds issued for the purpose of reissuing or renewing outstanding bonds.

(2) KRS 66.280 to 66.390 may be cited as the "county debt act."

Section 38. KRS 66.390 is amended to read as follows:

Ownership of obligations of Kentucky counties shall disqualify the commissioner of the department for local government or any of his appointees from serving in any capacity incident to the administration of KRS 66.280 to 66.380, or KRS 68.220, 68.250, 68.270, 68.280, 68.310 *or* [,] 68.320 [or 68.370].

Section 39. KRS 66.517 is amended to read as follows:

The board may exercise all the powers granted to governmental agencies by KRS 58.010 to 58.140. The board may exercise all the powers granted to a county building commission by KRS 67.450 to 67.555. [The board may exercise all the powers granted to fiscal courts by KRS 103.290 to 103.410.] Furthermore, the board may use the procedures and powers of each of those sets of sections of the Kentucky Revised Statutes to obtain facilities and improvements for the matters of statewide concern described in KRS 66.520.

Section 40. KRS 66.640 is amended to read as follows:

Classifications or designations of a neighborhood road or roads under KRS 66.610 to 66.650 shall not affect or change classifications or designations made by other sections of the Kentucky Revised Statutes such as "county roads," "main county roads," "rural and secondary roads," "turnpikes," "city streets," "county through roads," or similar terms; except that when there is an irreconcilable conflict arising from the actual application of KRS 66.610 to 66.650 in a given instance and a designation or classification made in other sections of the Kentucky Revised Statutes, this section shall prevail. Nothing in KRS 178.020 to 178.040, 178.117, 178.330 to 178.337, 179.070, 179.330, and KRS 66.610 to 66.650 shall preclude the expenditure on neighborhood roads, including portions within cities, of state funds allocated for public highways under the provisions of KRS 179.410 to 179.430 or 177.320 to *177.368* [177.380], or any other section of the Kentucky Revised Statutes in accordance with the provisions of KRS 66.610 to 66.650 or KRS 179.420.

Section 41. KRS 66.647 is amended to read as follows:

A lien shall exist against the respective properties for the cost of the improvements assessed in accordance with KRS 66.610 to 66.650. Such lien shall be enforced in accordance with KRS 93.450 and 93.460, with "city legislative body" being read as "fiscal court," with "ordinance" being read as "resolution," with "city" being read as "county," with "director of finance" being read as "county public improvement finance board," as created by KRS 66.510 to *66.543* [66.580], and with "director of works" being read as "county road engineer." The fiscal court may, at its option, for any improvement district appoint a special trustee, instead of the county public improvement finance board, to perform the functions required of this "director of finance" in KRS 93.450 and 93.460, inclusive, and the special trustee is so authorized to act after posting bond and meeting other requirements of KRS chapter 93. There shall be but one (1) such special trustee appointed for all of the public improvement districts within the county.

Section 42. KRS 66.650 is amended to read as follows:

Apportionment warrants or improvement bonds may be issued for public improvements made in accordance with KRS 66.610 to 66.650. The financial provisions of KRS 93.470 to 93.600, inclusive, are incorporated into and made applicable to KRS 66.610 to 66.650, with "department of public finance" and "director of finance" being read as "county public improvement finance board" as created by KRS 66.510 to *66.543* [66.580], with "director of works" being read as "county road engineer," with "city legislative body" being read as "fiscal court," with "city" being read as "county," with "ordinance" being read as "resolution," with "mayor" being read as "county judge/executive," and with "municipal tax" being read as "local tax." The fiscal court may, at its option, for any improvement district appoint a special trustee, instead of the county public improvement finance board, to perform the functions required of the "department of public finance" and "director of finance" in KRS 93.470 to 93.600 inclusive, and the special trustee is so authorized to act. Such special trustee shall give bond for the faithful performance of his duties, to be approved by the county judge/executive and the fiscal court and fulfill the other requirements of KRS chapter 93. There shall be but one (1) such special trustee appointed for all of the public improvement districts within the county.

Section 43. KRS 67.063 is amended to read as follows:

(1) All counties having three (3) county commissioners as provided in KRS 67.050 shall have their districts reapportioned not later than sixty days after the publication of the decennial census. The fiscal court shall, in open court, appoint three (3) competent citizens of the county over twenty-one (21) years of age, and residing in different portions of the county and in different county commissioner districts, as reapportionment commissioners to reapportion the county into three (3) county commissioner districts, as nearly equal in population as possible. When there is a tie vote in the appointment of any reapportionment commissioner, the tie shall be broken as provided by KRS 67.070 and 67.040. The reapportionment commissioners, before they proceed to act, shall be sworn to faithfully perform their duties. They shall receive out of the county treasury such compensation as may be fixed by the fiscal court.

(2) The reapportionment commissioners shall within twenty (20) days after they are sworn in lay off boundary lines of the district and shall establish the district boundary lines so that each district is an unbroken area and not split or divided by another county commissioner district. No boundary of a commissioner's district shall cross the boundary line of an election precinct. They shall file in the office of the county clerk a written report, showing the boundary of each district and the estimated population in each. Not later than thirty (30) days after the filing of the report, any citizen of the county may file exceptions, and the *fiscal* court shall fix a day not later than ten (10) days after the filing of the exceptions for a hearing thereon. At the hearing the court shall dispose of the exceptions and, by order entered of record, establish the reapportioned boundaries of the districts.

Section 44. KRS 67.380 is amended to read as follows:

The fiscal court of any county shall have authority, by order or resolution, to adopt, and to enforce, regulations governing construction as defined by KRS 198B.010*(9)*[(7)] pursuant to the provisions of KRS 198B.060.

Section 45. KRS 67.990 is amended to read as follows:

(1) Any officer who wilfully violates any of the provisions of KRS 67.020 is guilty of misfeasance in office, and shall be fined not more than one hundred dollars ($100).

(2) Any officer who wilfully violates any of the provisions of KRS 67.090(2) shall be fined not less than fifty (50) nor more than two hundred dollars ($200) for each offense.

[(3) When any fiscal court adopts regulations under KRS 67.390 or 67.400 any person violating any of the regulations shall be guilty of a misdemeanor and shall be fined not exceeding one hundred dollars ($100), or imprisoned not exceeding fifty (50) days, or both, for such violation.]

Section 46. KRS 67A.075 is amended to read as follows:

(1) The legislative body of urban-county governments may appoint as needed safety officers. Safety officers shall have such duties as prescribed by ordinance, which may include but not be limited to:

(a) Issuance of citations for violation of motor vehicle offenses as provided for in KRS chapters 186 and 189,provided that safety officers shall not have the authority to issue citations for moving violations.

(b) Issuance of citations for violation of any motor vehicle or traffic safety ordinance of the urban-county government wherein he has been appointed.

(c) [Investigation and reporting of vehicle accidents, where a fatality is not involved, as provided for in KRS 189.645.

(d)] Control and direction of traffic on public thoroughfares.

(d)[(e)] Removal of vehicles in violation of state or local law consistent with such laws.

(2) The ordinance prescribing the duties of safety officers shall set out in particular the urban-county ordinances and the sections of KRS chapters 186 and 189 for which citation authority will exist.

(3) A safety officer may issue a citation for a misdemeanor or a violation committed in his presence as provided for in this section. The procedures for such citations shall be the same as provided in KRS 431.015.

(4) Safety officers appointed by authority of this section shall have only the limited powers as provided by this section and shall not have the powers of peace officers to make arrests or carry deadly weapons.

(5) Safety officers shall successfully complete one hundred twenty (120) hours of appropriate training certified by the Kentucky law enforcement council prior to being appointed as a safety officer.

(6) Safety officers shall be compensated and receive employment benefits as provided for by urban-county ordinance.

Section 47. KRS 67A.600 is amended to read as follows:

(1) It is the intention of KRS 67A.360 to 67A.690 that the fund herein created shall supersede and take the place of the pension fund established under KRS 95.851 to *95.884* [95.885] inclusive, for cities of the second class becoming urban county governments, which sections shall be without force and effect, insofar as applicable to such urban county governments, but said sections shall remain in full force and effect as relates to other cities of the second class.

(2) The fund created by KRS 67A.360 to 67A.690 shall succeed to and assume as of July 1, 1974, all assets of such pension funds, and shall continue to make payment of all annuities, pensions, and benefits

granted by superseded pension funds at the rates previously fixed and under the conditions previously in effect.

Section 48. KRS 68.020 is amended to read as follows:

(1) The county treasurer shall receive and receipt for all money due the county from its collecting officers or from any other person whose duty it is to pay money into the county treasury, and shall hold such money subject to the order of the fiscal court. He shall not disburse any money received by him for any purpose other than that for which it was collected and paid over to him, and when he pays out money he shall take a receipt therefor. All warrants for the payment of funds from the county treasury shall be co-signed by the county treasurer and the county judge/executive.

(2) He may, and when directed by the fiscal court shall, institute actions in the name of the county against all delinquent sheriffs or collectors of the county, and against anyone having money belonging to the county who fails or refuses to pay it over on demand when due. He shall keep a record of all actions he is directed to institute on behalf of the county, showing their condition and the money collected thereunder.

(3) He shall keep an accurate detailed account of all money received and disbursed by him for the county, and shall keep books of accounts of the financial transactions of the county in the manner required by any uniform system of accounting prescribed by the department for local government.

(4) The county treasurer shall, when required by the fiscal court, settle his accounts as county treasurer, and within thirty (30) days after the close of each fiscal year, he shall make a full and complete settlement for the preceding fiscal year with the fiscal court or with a person or persons whom the fiscal court, by order of record, appoints to make settlement with him. In case of a vacancy, the county judge/executive shall call a special *meeting* [term] which shall proceed in the manner it deems proper to settle the accounts of the county treasurer.

Section 49. KRS 70.020 is amended to read as follows:

(1) The sheriff shall execute a bond for the faithful performance of the duties of his office. This bond shall be in addition to the bond required of him by KRS 134.230 and shall be approved by the county judge/executive. It shall be taken by the county clerk under the supervision of the county judge/executive and witnessed by the clerk or his deputy. The fact that the bond was taken, together with the names of the sureties, shall be entered on the order book, and the bond shall be recorded in a book kept for that purpose. The county judge/executive shall require the sheriff to renew this bond annually, and oftener if it deems proper.

(2) No jailer, coroner, judge, *county clerk,* [or] clerk of a [county or] circuit court, or attorney, shall be surety for a sheriff on his official bond.

Section 50. KRS 70.540 is amended to read as follows:

The county *judges/executive* [judge/executives] of the respective counties shall have and are hereby given the power, jurisdiction and authority to establish, appoint and maintain a county police force within their respective counties, all of the members and officers of which shall have and are hereby given jurisdiction coextensive with the whole county for which they are appointed. Such police force may consist of a chief and such member, rank and grade subordinate to the chief, and such clerical and skilled employes as the county judge/executive shall deem proper. All of the members and employes of the county police force shall be appointed by the county judge/executive and shall serve for a term of one (1) year from the date of their respective appointments, unless sooner removed by the county judge/executive for neglect of duty or improper conduct. All members of the force shall be citizens of the United States not less than twenty-one (21) years of age, and shall have been bona fide residents of the county in which they are appointed for not less than one (1) year before their appointment. None but discreet and sober persons shall be appointed to any position on said county police force. Each of the members of the said county police force shall take an oath, before the county judge/executive of their county, to faithfully, impartially and diligently perform the duties of their respective offices. Provided, however, That the chief officer of the county police force of any county may be designated, in the discretion of the county judge/executive of said county, as captain or any other appropriate title, and such county police force in any county may consist of one or more commanding officers, as the county judge/executive of such county may deem proper or adequate.

Section 51. KRS 71.010 is amended to read as follows:

The jailer shall take the oath prescribed by the constitution and execute bond to the Commonwealth with the county judge/executive of the county in which he is elected, with sureties, approved by the county judge/executive. The bond shall be attested by the clerk and entered of record in his office. No coroner, sheriff, sheriff's deputy, county *judge/executive* or circuit judge, county or circuit clerk, or attorney shall be surety for the jailer on his official bond.

Section 52. KRS 72.250 is amended to read as follows:

[Notwithstanding the provisions of KRS 72.090,] Autopsies and other examination services performed pursuant to KRS 72.210 to 72.275 may be without charge if budgetary limitations so permit but in the event budgetary limitations are deemed to be inadequate, the board may, by regulation, adopt a reasonable schedule of fees and charges for autopsies and other services to be paid for by the county concerned out of the county treasury.

Section 53. KRS 74.367 is amended to read as follows:

(1) At any time after the organization of a water district, and after approval by the utility regulatory commission in a proceeding similar to that provided by KRS *74.012* [74.015], more than fifty percent (50%) of the freeholders within the district and a majority of the commissioners of the district may file a petition with the county judge/executive who had jurisdiction over the organization of the district requesting discontinuance of the water district. The petition shall state the reasons for discontinuance and that all obligations of the district have been met and that approval of the utility regulatory commission has been obtained.

(2) After giving notice as provided in KRS chapter 424 the county judge/executive may conduct such hearings on the petition as may be necessary to assist in making a determination.

(3) If, after hearings on the petition for discontinuance of the district the county judge/executive determines that a discontinuance is in the best interest of the residents of the district, the water district shall be dissolved by order of the county judge/executive and a copy of the order shall be forwarded to the utility regulatory commission.

Section 54. KRS 76.005 is amended to read as follows:

As used in KRS 76.010 to *76.295* [76.281] unless the context otherwise requires:

(1) "District" means a metropolitan sewer district authorized by KRS 76.010 to 76.210.

(2) "Board" means the board described in KRS 76.030.

(3) "District area," "within the district," "corporate limits of the district" and similar terms mean that area of a county containing a city of the first class which area was on April 1, 1964, either inside the city of the first class or served by sanitary or combined sanitary and storm water sewers which were under the immediate control and custody of the district, that area of such a county which is added to the district pursuant to KRS 76.170, and that area of such a county which may be annexed to the city of the first class except that no construction subdistrict shall be construed to be within the district area.

(4) "Construction subdistrict bonds and obligations" and like phrases mean any obligation whatsoever that has been incurred by the district because of some function or activity of a construction subdistrict. Such debts are not obligations of the district, and such debts may be paid only from moneys received by the district on account of the construction subdistrict, or from the funds, if any, in the construction subdistrict reserve fund.

(5) "Construction subdistrict facilities" are all sewerage facilities within a construction subdistrict, and all sewerage facilities in a county containing a district outside the district area which

(a) are not a part of a sewer construction district organized pursuant to KRS 76.300 to 76.420 or a sanitation district organized pursuant to KRS 220.010 to 220.540 or a sewer system of a municipal corporation or a sewer system of a water district organized pursuant to KRS 74.010 to 74.416;

(b) join together two (2) or more construction subdistricts or lead from a construction subdistrict to the district area or lead from a construction subdistrict to a disposal plant or a treatment plant outside the construction subdistrict and outside the district area.

(6) "District facilities" are all facilities of the district within the district area.

Section 55. KRS 76.110 is amended to read as follows:

(1) The district shall have the power to acquire by purchase, gift or eminent domain proceedings, the fee or such right, title, interest or easement, in such lands as may be deemed by the district necessary for any of the purposes mentioned in KRS 76.010 to *76.295* [76.281], whether within or without the district area or within or without a construction subdistrict and any personal property necessary for the purpose of the district. Such lands or interest therein, or personal property may be so acquired whether or not the same are owned or held for public use by corporations, associations, or other persons having the power of eminent domain, or otherwise held or used for public purposes. Nothing in this chapter shall be construed to confer upon or recognize in the district any power to acquire by agreement, purchase or gift, or by eminent domain proceedings, any fee, right, title, interest or easement in property under the jurisdiction of the department of highways or included within the boundaries of any sanitation district organized under KRS chapter 220, except necessary rights of way for trunk sewers through such sanitation districts. Forthwith upon the acquisition of any such fee, right, title, interest or easement, or personal property, the same shall become dedicated to the uses and purposes of the district.

(2) The method of condemnation of such property shall be pursuant to the Eminent Domain Act of Kentucky.

(3) When a district has filed a proceeding to condemn land or any interest therein or personal property, pursuant to the provisions of the Eminent Domain Act of Kentucky, and the board of such district shall determine that the necessity for procuring possession of the property is urgent, it may pass a resolution, at the time that said condemnation is authorized or at any time thereafter for a declaration of taking, declaring that said lands are to be taken for the use of a metropolitan sewer district. Said declaration of taking shall contain, or have annexed thereto, the following:

(a) A statement of the authority under which and, the public use for which, said lands are taken;

(b) A description of the lands taken sufficient for identification thereof;

(c) A statement of the estate or interest in said lands taken for said public use;

(d) A plat showing the lands taken.

(4) At any time after the report of the commissioners has been made, the district may file said declaration of taking and make a deposit with the clerk of the court of the sum of money stated in the award of the commissioners appointed. Title to said lands in fee simple or such lesser estate as is specified in said declaration or to said personal property shall then vest in such metropolitan sewer district, and the right to just compensation for said land or interest therein or personal property shall vest in the persons entitled thereto. Said compensation shall be ascertained and awarded in said proceeding as otherwise provided in the Eminent Domain Act of Kentucky.

Section 56. KRS 76.180 is amended to read as follows:

The district shall have power to make and promulgate all rules and regulations proper or necessary to regulate the use, operation, and maintenance of property and facilities under its control, and to carry into effect the powers granted the district by KRS 76.010 to *76.295* [76.281]. The jurisdiction of the district shall extend outside of the district area and outside of construction subdistricts for regulation of any sewers, drains, or watercourses, which by natural flow, or otherwise, empty into or flow through any part of the district area, a construction subdistrict, or the district facilities, or are used by the district or flow through or are constructed in the county in which such district exists.

Section 57. KRS 76.252 is amended to read as follows:

(1) Assessment liens imposed by KRS 76.005 to *76.295* [76.281] are prior to all other liens except liens for taxes and other assessment liens already attached.

(2) Assessment liens may be enforced pursuant to KRS 426.005 and 426.006.

Section 58. KRS 76.254 is amended to read as follows:

(1) The district is authorized and empowered to issue negotiable, interest-bearing, construction subdistrict bonds which shall not be an obligation of the district; construction subdistrict revenue bonds shall be secured solely by the revenue pledged by KRS 76.262 and by moneys, if any, in the construction subdistrict reserve fund authorized by KRS 76.262. Construction subdistrict bonds can be issued to obtain funds for the building, installation or acquisition of construction subdistrict facilities or for refunding construction subdistrict bonds of the same construction subdistrict. Notwithstanding the foregoing two sentences construction subdistrict bonds can be served by assessments.

(2) Construction subdistrict bonds shall be authorized by resolution of the board, shall bear such date or dates, shall mature at such time or times, not exceeding forty (40) years from their respective dates, bear interest at such rate or rates, not exceeding six per cent (6%) per annum, payable annually or oftener, be in such form, wholly registered, registered as to principal with bearer coupon, or bearer with coupon, carry such registration privileges, be executed in such manner, be payable in such manner, be payable in such medium of payment at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution or resolutions may require. Construction subdistrict bonds shall be sold at public sale for such price or prices as the board determines, Provided however, That the interest cost of the money received from any issue of construction subdistrict bonds shall not exceed six per centum (6%) per annum when computed to the maturity of the bonds according to standard tables of bond values.

(3) Any resolution or resolutions authorizing any bonds pursuant to this section may contain provisions, which shall be a part of the contract with the holders of the bonds, concerning

(a) A pledge of or a security interest in the revenue derived from the construction subdistrict;

(b) The amounts to be raised in each year by rates, rentals, and charges, and the use and disposition thereof;

(c) The setting aside of reserves or sinking funds and the regulation and disposition thereof;

(d) Limitations on the right of the district to restrict and regulate the use of the subdistrict facilities;

(e) Limitations on the purposes to which the proceeds of sale of any issue of bonds then or thereafter to be issued with respect to the same construction subdistrict may be applied;

(f) Limitations on the issuance of additional bonds for the same construction subdistrict; and

(g) The procedure, if any, by which the term of any contract with bondholders may be amended or be abrogated, the amount of the bonds the holders of which must give consent thereto, and the manner in which such consent may be given.

(4) Construction subdistrict bonds shall not constitute an obligation or indebtedness of the district or of any city or county, and it shall be stated plainly on the face of each construction subdistrict bond that it has been issued under the provisions of KRS 76.005 to *76.295* [76.281] and that it does not constitute an obligation or indebtedness of the district or any city or county. All construction subdistrict bonds issued hereunder may be issued without vote of the voters and without any other proceedings or happenings of any other condition or things than those proceedings, conditions, and things which are specified and required by KRS 76.005 to *76.295* [76.281]. Construction subdistrict bonds shall be signed in the name of the district by the chairman or vice-chairman of the board, attested by the signature of the secretary-treasurer, with corporate seal of the district attached. The bonds may also be executed pursuant to KRS 61.390.

Section 59. KRS 76.259 is amended to read as follows:

(1) If the district finds as a fact that the methods of financing sewer facilities within a construction subdistrict provided for in KRS 76.005 to *76.295* [76.281] will be inadequate, uneconomic, or unduly burdensome to the residents to be initially served, the district may contract with one or more persons to construct or cause to be constructed a sewer system within the construction subdistrict or to advance or loan money to the district for the construction of a sewer system within the construction subdistrict. The sewer system constructed must either be conveyed to the district, acting for the construction subdistrict, and be a subdistrict facility, or provisions for the eventual conveyance of the system to the district, acting for the subdistrict, must be included in the contract. When the district finds that one or more financing methods for construction subdistricts established by KRS 76.005 to *76.295* [76.281], excluding this section, have become feasible, the district may adopt such method or methods to raise the money to pay for the construction of sewer facilities within the construction subdistrict or to pay the loan.

(2) The contract may be made prior to the making of an order establishing the construction subdistrict. The contract may require that one or more persons agree to buy construction subdistrict bonds to be issued pursuant to KRS 76.254 in an amount specified, which shall be sufficient to finance the construction of the sewer system. The maximum price and yield of the bonds shall be stated in the contract. Such contract shall not prevent the district from selling the bonds to a lower bidder.

(3) All contracts made pursuant to this section shall be in writing and shall contain a covenant that this section shall prevail over any contrary feature of the contract.

(4) The general assembly declares that the public policy of the Commonwealth will not be offended merely because a contract or loan made pursuant to this section is privately negotiated or because it is made without competitive bidding.

(5) Bonds sold to one or more contracting parties pursuant to subsection (2) shall be indorsed to disclose the nature of the sale. Such bonds, no matter who the holder or owner, shall never be eligible to have any payment made on their account pursuant to subsection (6) of KRS 76.262.

Section 60. KRS 76.261 is amended to read as follows:

(1) The holders in aggregate principal amount of twenty percent (20%) of any class of construction subdistrict bonds authorized by KRS 76.254 may ex parte move a judge of the circuit court of the county containing the construction subdistrict to appoint a trustee to represent all of the holders of the same class of bonds when the facts described in paragraph (b) of subsection (2) have occurred.

(2) The judge shall appoint a trustee (which may be corporate) upon a showing that:

(a) movants in fact are holders of twenty percent (20%) or more of the aggregate principal amount of the affected class of the bonds;

(b) movants claim that there has been a default exceeding thirty (30) days in the payment of interest or principal on the bonds, that the district has failed to comply with the provisions of KRS 76.005 to *76.295* [76.281] relating to construction subdistrict bonds, or that the district has breached a contract with the holders of the bonds; and

(c) movants have filed in the office of the county clerk of the county containing the district an instrument in the nature of a notice of action against the district which instrument states that movants have applied to have a trustee appointed pursuant to this section and which names the affected construction subdistrict.

(3) The trustee may, or upon written request of any twenty percent (20%) in aggregate principal amount of his bondholder beneficiaries shall, file an action in his name against the district; the action shall seek all remedies, including but not limited to mandamus, prohibition, judgment against a special fund or funds, injunction, and declaratory judgment, needed to preserve and enforce the rights of the bondholders. The action shall be filed in the circuit court of the county containing the district.

(4) The rights of bondholders include, but are not limited to, the right to:

(a) require the district to collect from the construction subdistrict rates, rentals, and charges adequate to pay principal and interest on the bonds;

(b) require the district to perform all lawful agreements with the bondholders;

(c) require the district to account to the bondholders as if it were trustee of an express trust for their benefit;

(d) have the district enjoined from doing any acts or things which may be unlawful or in violation of the rights of the bondholders;

(e) have all bonds of the affected class declared due and payable.

(5) Any trustee, whether or not all bonds have been declared due and payable, shall be entitled as of right, upon application to the circuit court, to the appointment of a receiver, who may enter upon and take possession of the construction subdistrict facilities, or any part thereof, and operate and maintain the same, and collect and receive all rentals, rates, other charges, and revenues of the construction subdistrict payable after commencement of the receivership. The receiver shall deposit such moneys in a separate account and apply them as the court directs. In any suit, action, or proceeding, by the trustee, the fees, counsel fees, and expenses of the trustee and of the receiver, if any, shall constitute disbursements taxable as costs. All

costs and disbursements allowed by the court shall be a first charge on any revenue derived from the construction subdistrict facilities. Such trustee shall, in addition to the foregoing, have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

Section 61. KRS 76.263 is amended is read as follows:

The district is granted the same authority relative to the cutting off of the water supply of its delinquent users within a construction subdistrict as is contained in KRS 76.090 relative to other territory under the jurisdiction of the district. Delinquents include persons or users who have failed to make timely payment of any assessment authorized by KRS 76.005 to *76.295* [76.281] or any payment required by KRS 76.262.

Section 62. KRS 76.269 is amended to read as follows:

A sanitation district organized under KRS 220.010 to 220.540, a sewer construction district organized under KRS 76.300 to 76.420, and a sewage system owned by any municipality, political subdivision, or any other entity, public or private, may be made a construction subdistrict or incorporated into the district area by the board under the conditions of this section.

(1) Any such district or system may be made a construction subdistrict only when:

(a) express, written consent of all bondholders and secured creditors has been obtained;

(b) the governing body or owner of such district or system has consented in writing; and

(c) the board has determined that the policy of KRS 76.010 to *76.295* [76.281] will best be served by making such district or system a construction subdistrict.

(2) When such district or system has been made a construction subdistrict under subsection (1), KRS 76.241 to 76.253, and 76.257 to 76.259 shall not apply to it.

(3) Any such district or system may be incorporated by the board into the district area only when:

(a) all debts of the district or system have been paid or an amount of either money or securities lawful as investments under KRS 386.020 has been laid aside to pay them by the governing body or owner of such district or system;

(b) the governing body or owner of such district or system has consented in writing; and

(c) such district or system is not within a sanitation tax district organized under KRS 76.274; and

(d) the board has determined that the policy of KRS 76.010 to 76.210 will best be served by incorporating such district or system into the district area.

Section 63. KRS 76.271 is amended to read as follows:

The district shall wind up the affairs of a construction subdistrict and incorporate it into the district area only when:

(1) The board finds that such action would best serve the policy of KRS 76.010 to *76.295* [76.281].

(2) There is not outstanding any bonds issued pursuant to subsection (2) of KRS 76.272 if the proceeds of such bond issue have been used, are being used, or will be used to construct trunk, main, or intercepting sewers which, directly or indirectly, connect the construction subdistrict to either the district facilities or to a treatment plant, disposal plant, or outlet sewer also serving, directly or indirectly, another construction subdistrict.

(3) The construction subdistrict is not within a sanitation tax district organized under KRS 76.274.

(4) The construction subdistrict has no outstanding obligations.

(5) The construction subdistrict has paid for its equitably allocable share of the capital costs of, and is connected to, directly or indirectly either

(a) the district facilities, or

(b) a treatment plant, disposal plant, or outfall sewer and any trunk, main, or intercepting sewers built to connect at least two (2) construction subdistricts to such treatment or disposal plant, or outfall sewer.

(6) The provisions of this section shall not apply in cases involving annexation by a city of the first class pursuant to KRS 81.300 to 81.360.

Section 64. KRS 76.274 is amended to read as follows:

In the interest of the public health and for the purpose of providing adequate sanitation and drainage facilities in each county containing a city of the first class, there may be created and established therein one or more sanitation tax districts, under the provisions of KRS 76.005 to *76.295* [76.281], having the powers, duties and functions prescribed in KRS 76.005 to *76.295* [76.281], and to be known by and under the name of .... (name) sanitation tax district. Such a district under its name shall be a public body corporate and political subdivision, with power to adopt, use and alter at its pleasure a corporate seal, sue and be sued, contract and be contracted with, and in other ways to act as a natural person, within the purview of KRS 76.005 to *76.295* [76.281]. Such district may encompass any territory within the county except (1) territory in the district area of a metropolitan sewer district, (2) sewered areas which are connected to the district facilities of a metropolitan sewer district and (3) sewered areas which have paid a capital investment recovery fee, or are paying the same, to a metropolitan sewer district to reimburse the metropolitan sewer district for that portion of its capital expenditures equitably allocable to the sewered area.

Section 65. KRS 76.276 is amended to read as follows:

Whenever by resolution of the fiscal court acting upon its own initiative or upon petition from the metropolitan sewer district, it is declared for the best interests of such county and the inhabitants thereof that such sanitation tax district or districts be created under the provisions of KRS 76.005 to *76.295* [76.281], the fiscal court of such county shall file a certified copy of such resolution with the county clerk. The resolution shall describe the territory included within the sanitation tax district.

Section 66. KRS 76.305 is amended to read as follows:

(1) When the petition is filed the county clerk shall give notice of the filing by publication pursuant to KRS chapter 424 and by posting notices in three (3) public places within the proposed district. Within thirty (30) days after the publication, any freeholder of the proposed district may file objections, and the *county judge/executive* [court] shall set the case for hearing at the first rule day after expiration of said thirty (30) days. If the *county judge/executive* [court] finds that the establishment of such district is reasonably necessary for the public health, convenience and comfort of the residents of the district, *he* [it] shall make an order establishing the district and designating it by name and number.

(2) If the *county judge/executive* [court] finds that the district is not necessary, *he* [it] may dismiss the petition. If the *county judge/executive* [court] finds that any part of the territory will not be benefited, *he* [it] may strike such part.

(3) Any party may appeal to the circuit court from the order establishing a district or dismissing the petition or striking or refusing to strike any territory from the district. From a decision of the circuit court any party may appeal to the Court of Appeals.

Section 67. KRS 76.330 is amended to read as follows:

The commission shall, before entering upon any construction work or any contracts therefor, make a survey of the territory within the district, and report to the *county judge/executive* [court] as to plans for sewer and/or drainage construction and as to the estimated cost thereof, with recommendations as to whether or not such construction is economically feasible. With such report shall be submitted a report and certification from the metropolitan sewer district as to whether or not the project is feasible from a technical and economic standpoint.

Section 68. KRS 76.340 is amended to read as follows:

If a plan for construction of sewers and/or drains is approved by the *county judge/executive* [court], the commissioners shall then examine the real estate in the sewer construction district that may be affected or benefited by construction and operation of such sewers or drains included in such approved plans, and shall classify the land into such number of classes as the commission deems advisable, and shall report its classification and the ratio of benefits for each class, from such sewers or drains to be constructed. This report as to classification shall include a general description of the land in each class with the names of the owners.

Section 69. KRS 76.350 is amended to read as follows:

An order of the *county judge/executive* [court] confirming, modifying or disapproving a report of commissioners of sewer construction district as to a plan of construction or as to classification of property or ratio of benefits may be appealed to the circuit court by the commission or any property holder. In the circuit court the appeal shall be docketed on the equity docket and the trial shall be de novo. Decisions of the circuit court may be appealed to the Court of Appeals.

Section 70. KRS 76.375 is amended to read as follows:

The commissioners shall give bond in such amount as the *county judge/executive* [court] may require. The treasurer shall give bond in such amount as the commission may require.

Section 71. KRS 78.535 is amended to read as follows:

(1) In the event a participating county fails to fully comply with the provisions of KRS 78.510 to 78.852, the board shall notify said county in writing of its failure to comply and shall inform said county that such failure shall be deemed to be cause for termination of the participation of said county in the system.

(2) In not less than ninety (90) days after the issuance of the notice in accordance with subsection (1) of this section, the board may terminate the participation of the county in the system unless the county has fully complied or has made satisfactory arrangements to comply. The board shall determine the effective date of such termination of participation.

(3) The county may appeal the decision of the board to the Franklin Circuit Court.

(4) Employes of the county who are members of the system on the effective date of termination of participation shall have the privilege of continuing in membership in the system until their county employment is terminated. Such employes shall continue to make contributions to the system in accordance with the provisions of KRS 78.610 and the county shall contribute employer contributions for such employes in accordance with KRS *61.565* [78.620].

(5) Notwithstanding the provisions of subsection (4) of this section, the aggregate amount of the employer contributions during a fiscal year of a county whose participation has been terminated by the board shall be not less than the amount the system is required to pay in retirement allowances during such fiscal year to former employes of such county and the beneficiaries of said former employes. In determining the amount of retirement allowances, the board shall allow credit for the member contributions paid by such former employes.

Section 72. KRS 79.100 is amended to read as follows:

The provisions of KRS 79.080 shall be in addition to any other authority of cities, counties and their agencies to provide retirement and disability benefits for their employes, and shall not repeal or modify any acts except those that may be in conflict with KRS 79.080 [and 79.090].

Section 73. KRS 80.310 is amended to read as follows:

(1) As used in KRS 80.310 to 80.610, unless the context requires otherwise:

(a) "Bonds" means any bonds, notes, interim certificates, debentures, and other obligations issued by the authority pursuant to KRS 80.310 to 80.610.

(b) "Clerk" means the clerk of the city or the clerk of the county, as the case may be, or the officer charged with the duties customarily imposed on such clerk.

(c) "Authority" or "housing authority" means any of the public corporations created pursuant to KRS *80.310* [80.319] to 80.610.

(d) "Federal government" includes the United States of America, the United States housing authority and its successor agencies, or any other agency or instrumentality, corporate or otherwise, of the United States of America.

(e) "Governing body" means, in the case of a city, the city council, the commission, the board of trustees or other legislative body of the city; and in the case of a county, the fiscal court.

(f) "Housing project" means any work or undertaking: To demolish, clear or remove buildings from any slum area; such work or undertaking may embrace the adaptation of such area to public purposes, including parks or other recreational or community purposes; or to provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for persons of low income; such work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare or other purposes; or to accomplish a combination of the foregoing. The term "housing project" may also be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith.

(g) "Mayor" means the mayor of the city or the officer thereof charged with the duties customarily imposed on the mayor or executive head of the city.

(h) "Obligee of the authority" or "obligee" shall include any bondholder, trustee or trustees for any bondholders, or lessor demising to the authority property used in connection with a housing project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the authority.

(i) "Persons of low income" means persons or families who lack the amount of income which is necessary (as determined by the housing authority undertaking the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

(j) "Real property" includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.

(k) "Slum" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, lack of ventilation, light or sanitary facilities, or any combination of these factors, are detrimental to safety, health and morals.

(2) The powers contained in KRS 80.310 to 80.610 shall be in addition and supplemental to the powers contained in any other act.

Section 74. KRS 88.180 is amended to read as follows:

(1) The members of the board of trustees shall be elected by the qualified voters of the city at the regular November election every two (2) years, beginning with 1893, and shall hold office for two (2) years. The members of the board of trustees [and the police judge] shall take office on the first Monday in January following their election.

(2) The treasurer and clerk shall be appointed by the board of trustees for a term of two (2) years, but may be removed at the pleasure of the board.

(3) The board of trustees may appoint an assessor, a poundmaster, a superintendent of streets, a town engineer, a chief of fire department, a town weigher and a town physician, each of whom shall hold office for two (2) years, but may be removed at the pleasure of the board of trustees.

Section 75. KRS 89.560 is amended to read as follows:

(1) The board of commissioners shall select and employ a city manager. He shall be selected solely on the basis of his executive and administrative qualifications. The choice shall not be limited to inhabitants of the city or state. He shall be employed for an indefinite period, in cities of the first, second and fourth classes, or for a period not exceeding four (4) years in cities of the third class. He shall receive notwithstanding the provisions of KRS 64.480 to *64.740* [64.760], as an employe such compensation as may be determined

by the board of commissioners. During the absence or disability of the city manager, the board of commissioners shall designate some properly qualified person to perform the duties of the city manager.

(2) In cities of the first and second class the city manager shall be removable at will without cause by a majority of the board of commissioners.

(3) In cities of the third and fourth classes the city manager shall be removable at will by the board of commissioners, but removal shall not be effected by a reduction in his compensation. If removed at any time after having served for six (6) months he may in writing demand written charges and a public hearing before the board of commissioners prior to the date on which his final removal shall take effect, but during the hearing the board of commissioners may suspend him from office. The public hearing shall be fixed by the board of commissioners not to exceed thirty (30) days after demand therefor.

Section 76. KRS 89.980 is amended to read as follows:

Any person committing an act in connection with any election held under the provisions of KRS chapter 89, which act, if committed in a regular election would subject the person to a penalty under the provisions of KRS chapters *119* [123] or *121* [124], shall be subject to the same penalty provided therein for such an act.

Section 77. KRS 91.560 is amended to read as follows:

(1) The fee simple of all lands, in a city of the first class, and the full term and renewal of every leasehold carrying with it the value of the improvements thereon, shall be subject, from and after the assessment date each year, to a lien for the city taxes to be assessed thereon for the succeeding year. The lien shall be superior to homestead right and to all encumbrances, whether made before or after that date, except state taxes, and shall take precedence of dower, curtesy, remainders, *reversions* [revisions] and other future estates.

(2) From the beginning of any action to collect taxes against real property, a lien for each tax bill assessed against the same owner or set of joint owners shall also arise upon every tract of land or improvement still owned by him or them, with a view to the sale of less than all the tracts for the entire tax bill, subject to such marshaling of burdens as against third parties as the rules of equity require. The court may allow a purchaser or encumbrancer to release any tract from the tax lien thereon, by paying its share of the tax, interest and costs.

(3) The tax lien on real property provided for by this section shall attach though, through error in the proceedings, the tax bill is unenforceable, in which case the lien reaching back to the date named shall support the claim of the city for any taxes imposed afterward for the year in question under any curative act of the general assembly.

(4) The city shall have a lien on personal property as provided in the case of real property for its taxes.

Section 78. KRS 93.352 is amended to read as follows:

Any city of the first class shall have and may exercise all powers necessary or convenient to carry out the purpose of KRS 93.352 to 93.356, which is hereby declared to be the acquisition, creation, and operation in any manner hereinafter provided, under public regulation, of public off-street parking facilities in any such city as a necessary incident to insuring in the public interest the free circulation of traffic in, through and from such city. Such powers shall include, but shall not be limited to the powers enumerated in the following paragraphs (a) to (k) inclusive:

(a) The power to purchase [in the manner prescribed in KRS 83.300], and acquire by gift, bequest, devise, or grant, real property, or any interest therein, in any area of any such city in which the director of traffic engineering in such city, subject to the approval of the legislative body of such city, shall have made a determination that public parking facilities are therein required, and to hold, use, and dispose of same in the manner prescribed by law;

(b) The power to condemn, in the manner prescribed in the Eminent Domain Act of Kentucky, real property, or any interest therein in any area of any such city in which the director of traffic engineering in such city, subject to the approval of the legislative body of such city, shall have made a determination that public parking facilities are therein required, and hold, use, or dispose of same in the manner provided by law; in such condemnation proceedings the city shall obtain a fee simple title and may thereafter dispose of same without working a reverter;

(c) The power to clear and improve, in the manner provided by law, any property acquired under KRS 93.352 to 93.356, and to construct or cause to be constructed thereon such structures and equipment suitable for parking facilities, as the director of traffice engineering, subject to the approval of the legislative body of such city, shall have determined to be necessary;

(d) The power to maintain and operate for parking by the public, of vehicles, any property, or interest in property, constructed or acquired under KRS 93.352 to 93.356;

(e) The power to contract with any corporation, firm, individual, or association, private or public, subject to the provisions of KRS 93.352 to 93.356, for the operation as a public parking facility of any property, or interest in property, constructed or acquired under KRS 93.352 to 93.356, for such period as the director of traffic engineering, subject to the approval of the legislative body of such city, shall determine;

(f) The power to lease to any corporation, firm, individual, or association, private or public, subject to the provisions of KRS 93.352 to 93.356, for the operation thereof as a public parking facility, any property, or interest in property, constructed or acquired under KRS 93.352 to 93.356, for such period as the director of traffic engineering, subject to the approval of the legislative body of such city shall determine;

(g) The power to sell, exchange, transfer, or assign, any property, real or personal, or any interest therein, constructed or acquired under KRS 93.352 to 93.356, whether or not improved, and which the director of traffic engineering, subject to the approval of the legislative body of such city, shall have determined to be no longer necessary or required for the proper achievement of the purposes of KRS 93.352 to 93.356; Provided however, the city may, through the director of traffic engineering, subject to the approval of the legislative body of the city, lease such property or any part thereof for use for commercial purposes that may be in aid of the operation of off-street parking facilities under KRS 93.352 to 93.356;

(h) The power to lease for commercial purposes any part of said property which the city, through the director of traffic engineering, with the approval of the legislative body of the city, shall have determined to be no longer required, or not at that time required, for the proper achievement of the purposes of KRS 93.352 to 93.356;

(i) The power to establish and revise from time to time, schedules of rates to be charged for the use of such public parking facilities operated under KRS 93.352 to 93.356 and to establish, extend, revise, and rescind regulations in regard to the use, operation, and occupancy of any property or interest therein, constructed or acquired under KRS 93.352 to 93.356, to the end that the maintenance, operation, use, and charge for the use of all such property shall be subject to public regulation; the director of traffic engineering, subject to the provisions of KRS 93.352 to 93.356 and subject to the approval of the legislative body of such city, shall establish, extend, revise, and rescind, such schedules and regulations;

(j) The power to engage in or contract for the construction, reconstruction, alteration, repair and maintenance of any public parking facilities operated or to be operated under KRS 93.352 to 93.356, as the director of traffic engineering, subject to the approval of the legislative body of such city, shall determine;

(k) The power to adopt suitable ordinances defining particular areas within the city to be served by and for which off-street parking facilities shall be established under the provisions of KRS 93.352 to 93.356, regulating or prohibiting the parking of motor vehicles upon the streets of any such city within any such area, and providing that the provisions of any such ordinance shall be for the benefit of the holders of revenue bonds issued under the authority of KRS 93.352 to 93.356 and shall be irrepealable so long as any of such bonds shall remain outstanding.

Section 79. KRS 94.750 is amended to read as follows:

Any city shall have all the rights, powers and privileges that are given to cities of the first class by KRS 93.352 to 93.356, as amended. In applying such sections to cities, any powers given by such sections to the director of works of a city of the first class shall be deemed to be given to the board of public works, superintendent of public works, department of public works or commissioner of public works of the city, whichever such city shall have, and condemnation procedure shall be as provided in the Eminent Domain Act of Kentucky [and KRS 104.170].

Section 80. KRS 95.010 is amended to read as follows:

(1) As used in KRS 95.150 to 95.290 and in KRS 95.786 to *95.991* [95.885], unless the context requires otherwise:

(a) "Dismissal" means the discharge of an employe by the division or department head, civil service board, or other lawful authority.

(b) "Eligible list" means a list of names of persons who have been found qualified through suitable competitive examinations for positions or classes of positions.

(c) "Fire department" means the officers, fire fighters and clerical or maintenance employes, including the chief of the fire department.

(d) "Member" means any person in the police or fire department, other than the chief or assistant chief of the department.

(e) "Police department" means the officers, policemen and clerical or maintenance employes, including the chief of police.

(f) "Police force" means the officers and policemen of the police department, other than the chief of police.

(g) "Policeman" means a member of the police department below the rank of officer, other than a clerical or maintenance employe.

(h) "Salary" means any compensation received for services.

(i) "Suspension" means the separation of an employe from the service for a temporary or fixed period of time, by his appointing authority, as a disciplinary measure.

(2) As used in KRS 95.430 to 95.690, the following words and terms shall have the following meaning, unless the context requires otherwise:

(a) "Dismissal" means the discharge of an employe by the division or department head, civil service board, or other lawful authority.

(b) "Eligible list" means a list of names of persons who have been found qualified through suitable competitive examinations for positions or classes of positions.

(c) "Fire department" means and includes all officers, fire fighters, and clerical or maintenance employes of the fire department.

(d) "Police department" means and includes all officers, policemen, and clerical or maintenance employes of the police department.

(e) "Member" means any and all officers, fire fighters, policemen, clerical or maintenance employes in the police or fire department, except that as used in subsections (1) and (3) of KRS 95.440, and KRS 95.450, 95.460, 95.470, 95.550, 95.560, 95.565, 95.570 and 95.580 it shall not include the chief of police in a city of the second class operating under the commission form of government or in an urban-county government.

(f) "Police force" means and includes all officers and policemen in the police department.

(g) "Policeman" means a member of the police department below the rank of officer, other than a clerical or maintenance employe.

(h) "Fire fighter" means a member of the fire department below the rank of officer, other than a clerical or maintenance employe.

(i) "Salary" means any compensation received for services.

(j) "Suspension" means the separation of an employe from the service for a temporary or fixed period of time, by his appointing authority, as a disciplinary measure.

(k) "Pension fund" shall mean the moneys derived from the members of the police and fire departments' salary or salaries and appropriations by the legislative body, or any other means derived from whatever source by gift or otherwise to be used for the retirement of members of the police and fire departments after the prescribed number of years of service, and for the benefit of disabled members of police and fire departments, and for the benefit of surviving spouses and dependent children or dependent fathers or mothers in the case of death of any member of the police or fire department within the scope of his employment.

(3) As used in KRS 95.761 to 95.785 the following words and terms shall have the following meaning:

(a) "Regular police department." For the purpose of KRS 95.761 to 95.785, a "regular police department" is defined as one (1) having a fixed headquarters, where police equipment is maintained and where a policeman or policemen are in constant and uninterrupted attendance to receive and answer police calls, and execute regular police patrol duties.

(b) "Regular fire department." For the purpose of KRS 95.761 to 95.785, a "regular fire department" is defined as one (1) having a fixed headquarters where firefighting apparatus and equipment is maintained, and where fire fighters are in constant and uninterrupted attendance to receive and answer fire alarms.

(c) "Legislative body." Wherever in KRS 95.761 to 95.785 the term "body" or "legislative body" is employed, it shall be construed to mean the legislative branch of the city government or urban-county government.

(d) "Commission." The word "commission" shall mean the board of civil service commissioners, as established under the terms of KRS 95.761 to 95.785.

(e) "Trustees." The word "trustees" shall mean the board of pension fund trustees, as established under the terms of KRS 95.761 to 95.785.

(f) "Pension fund." The term "pension fund" shall mean the moneys derived from the policeman or policemen and fire fighter or fire fighters salary or salaries, and appropriations by the legislative body, or any other sums derived from whatever source by gifts or otherwise to be used for the retirement of policeman or policemen and fire fighter or fire fighters after the prescribed number of years of service and for the benefit of disabled policeman or policemen and fire fighter or fire fighters, and for the benefit of surviving spouses and dependent children or dependent fathers or mothers in the case of death of a policeman or fire fighter within the scope of his employment, according to the terms of KRS 95.761 to 95.785.

Section 81. KRS 95.851 is amended to read as follows:

Words and phrases, used in KRS 95.851 to *95.991* [95.885], unless a different meaning is clearly indicated by the context, shall have the following meanings:

(a) "Fund" shall mean the "Policemen's and Fire fighter's Retirement Fund of the City of ....."

(b) "City" shall mean any city of the second class in the state of Kentucky, or city of the second class which may subsequently attain first-class status.

(c) "Department" shall mean the police department or the fire department of a city.

(d) "Board" shall mean the board of trustees provided for herein as the agency responsible for the direction and operation of the affairs and business of the fund. The board shall hold title to all assets of the fund.

(e) "Member" shall mean any member of the police or fire department who is included in the membership of the fund.

(f) "Service" shall mean actual employment in a department of a city for salary or compensation, or service otherwise creditable as herein provided.

(g) "Prior service" shall mean service rendered prior to the date of establishment.

(h) "Membership service" shall mean service rendered on or after the date of establishment.

(i) "Total service" shall mean prior service, membership service, and military service.

(j) "Regular interest" shall mean such rate of interest as shall be fixed by the board, provided that for the first five (5) years of operation of the fund the rate shall be three per cent (3%) per annum, compounded annually.

(k) "Occupational disability" shall mean disability due to occupational causes, including but not limited to injury or disease. The presumption of contracting disease "while on active duty as a result of strain or the inhalation of noxious fumes, poisons or gases" created by KRS 79.080 shall be a presumption of "occupational disability" hereunder.

(l) "Occupational death" shall mean death due to occupational causes, including but not limited to injury or disease.

(m) "Average salary" shall mean the highest average annual salary of the member for any three (3) consecutive years of service within the total service of the member.

(n) The masculine pronoun, wherever used, shall include the feminine pronoun; also, widow shall include widower.

(o) The fiscal year of the fund shall date from July 1 of any year to June 30 of the next year following.

(p) "Total disability" shall mean a disability which substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation in the service of the department that he would be competent to perform were it not for the fact that the impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely.

Section 82. KRS 95.880 is amended to read as follows:

It is the intention of KRS 95.851 to *95.991* [95.885] that the payment of the required contributions by the city, all allowances, annuities, benefits, and administration expenses shall be the obligation of the city.

Section 83. KRS 95.881 is amended to read as follows:

Any city covered by KRS 95.851 to *95.991* [95.885], which may subsequently change its form of government, its class, or other status shall continue to be covered by KRS 95.851 to *95.991* [95.885].

Section 84. KRS 95.883 is amended to read as follows:

(1) The order or determination of the board upon the rehearing shall be conclusive and binding, but any interested party may, within twenty (20) days after the rendition of the order of the board, by petition appeal to the circuit court of the county in which the city of the second class is located for a review of the order of the board.

(2) The petition shall state fully the grounds upon which a review is sought, assign all errors relied on and be verified by the petitioner who shall furnish a copy to the board at the time of the filing of the same. Summons shall be issued directing the board to answer within twenty (20) days and directing the board to send the original record to the circuit clerk certifying that such record is the entire original record of the rehearing which shall be filed by the clerk of the circuit court and such record shall then become and be considered by the circuit court on the review. The appeal provided for herein shall not be considered effective unless the person making the appeal has paid to the board one-half (½) of the cost of the transcript of the record of the rehearing within the period provided for making the appeal.

(3) No new nor additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of KRS 95.851 to *95.991* [95.885], and affecting the order, decision or determination appealed from, but the court shall otherwise hear the cause upon the record as certified by the board and shall dispose of the cause in summary manner, its review being limited to determining whether or not:

(a) The board acted without or in excess of its powers;

(b) The order, decision or determination was procured by fraud;

(c) The order, decision or determination of the board is not in conformity with the provisions of KRS 95.851 to *95.991* [95.885];

(d) If findings of fact are in issue the party seeking to set aside any order, decision or determination of the board shall have the burden of proof to show by clear and satisfactory evidence that the order, decision or determination is unreasonable or unlawful. If upon appeal as herein provided the order, decision or determination of the board is reversed the party perfecting the appeal shall be refunded by the board his portion of the costs paid for the transcript of the record made on the rehearing.

(4) The board and each interested party may appear before the circuit court. The court shall enter judgment affirming, modifying or setting aside the order, decision or determination appealed from, or in its discretion remand the cause to the board for further proceedings in conformity with the direction of the court. The court may, before judgment and upon a sufficient showing of fact, remand the cause to the board.

Section 85. KRS 95.884 is amended to read as follows:

(1) The judgment of the circuit court shall be subject to appeal to the Court of Appeals. The scope of review by the Court of Appeals shall include all matters subject to review by the circuit court and also errors of law arising in the circuit court and upon appeal made reviewable by the Rules of Procedure.

(2) The procedure as to appeal to the Court of Appeals shall be the same as in civil actions so far as it is applicable to and not in conflict with KRS 95.851 to *95.991* [95.885].

Section 86. KRS 95.864 is amended to read as follows:

For the purpose of KRS 95.851 to *95.991* [95.885], a member shall be considered totally and permanently disabled after the board shall have received written certification by at least two (2) licensed and practicing physicians selected by the board that the member is totally and likely to be permanently disabled for the further performance of the duties of any assigned position in the service of the department. If upon consideration of the report of such physicians and such other evidence as shall have been presented to it by the member or others interested therein, the board finds the member to be totally and permanently disabled, it shall grant him a disability retirement annuity upon written certification that the member has been separated from the service of the city because of total disability of such nature as to reasonably prevent further service for the employer, and as a consequence is not entitled to compensation from the city.

Section 87. KRS 95.869 is amended to read as follows:

(1) The responsibility for the proper operation of the fund and the direction of its policies shall be vested in a board of trustees of six (6) members, consisting of: (a) the mayor ex officio; (b) the city treasurer ex officio; (c) the chiefs of the police and fire departments ex officio; and (d) one (1) active member of each department, who shall be elected by ballot by the active members of the respective departments and shall serve for term of one (1) year under rules adopted by the board. In the event of a vacancy of an elected member, the pension board may fill the vacancy by appointment until the next regular election.

(2) It is the intention of KRS 95.851 to *95.991* [95.885] that the present elected members of the pension board shall continue in office as members of the board of trustees herein provided, shall succeed to the office of trustee under the provisions hereof and shall assume the duties and obligations as herein provided. Such members shall continue in office until the expiration of their respective terms of office when elections shall be held for successors as herein provided.

Section 88. KRS 95.871 is amended to read as follows:

The board shall have, in addition to other duties arising out of KRS 95.851 to *95.991* [95.885], the following duties:

(1) Establish and maintain an office in the facilities provided by the city for the meetings of the board and the keeping of the books, accounts, and records of the fund; hold regular meetings monthly, and such special meetings as may be deemed necessary; and keep a full record of all of its proceedings, which shall be open to inspection by the public.

(2) Provide for the installation of a system of accounts and records that will give full effect to the requirements of KRS 95.851 to *95.991* [95.885]; adopt all necessary actuarial tables to be used in the operation of the fund; and provide for the compilation of such statistical and financial data as may be required for actuarial valuations, periodic surveys, and calculations.

(3) Obtain such information from the participating members and the city as shall be necessary for the proper operation of the fund.

(4) Consider and pass upon all applications for annuities, benefits, refunds and other payments, and authorize the expenditure for such purposes, in accordance with the provisions hereof. The board shall have authority to promulgate such rules and regulations, not inconsistent with the provisions of KRS 95.851 to *95.991* [95.885], necessary for the proper determination of all claims before it.

(5) Accept any gift, grant, or bequest of any money or property of any kind, for the purposes designated by the grantor if such purposes are specified as providing cash benefits to some or all of the members or annuitants of the fund; if no such purposes are designated, the same shall be credited to the account representing income from investments.

(6) Have the accounts of the fund audited as of the end of each fiscal year, by a competent accountant, and submit an annual report to the city as soon as possible following the close of the year, embodying, among other things, a balance sheet showing the financial and actuarial condition of the fund, a statement of income and expenditures for the year, a statement showing changes in the asset, liability, and reserve accounts during the year, a statement of investments owned by the fund, detailed statements of investments acquired and disposed of during the year, and such other financial or statistical data as are necessary for a proper interpretation of the condition of the fund and the results of its operations. The board shall also cause to be published for distribution among the members a synopsis of such report.

Section 89. KRS 95.872 is amended to read as follows:

(1) The officers of the board shall consist of a president, vice-president, and a secretary. The president shall be the chief executive officer of the board, shall preside at all meetings and shall appoint all necessary committees. The vice-president shall serve as president in the absence of the president.

(2) The board shall designate a secretary who may be a member of the board and shall fix his compensation. The secretary shall keep a full account of all proceedings of the board, shall give notice of all

meetings and give effect to all resolutions, orders, and directives of the board. He shall be in charge of the detailed affairs of administration of the fund; shall keep the record of proceedings of all meetings; shall keep all books, files, records, and accounts of the fund; shall receive all applications for annuities, benefits and refunds; shall prepare periodic reports relative to the financial operations of the fund for the information of the board and its membership; shall compile all statistics pertinent to the operations of the fund; and shall answer all correspondence received by the board.

(3) The city treasurer shall be ex officio treasurer of the board, and custodian of the fund. He shall have custody of all cash and securities of the fund, subject to the authority and directives of the board, and shall keep such accounts and records as may be prescribed by the board. These accounts and records shall be subject to inspection of the board or any member thereof.

(4) The city treasurer shall, within ten (10) days after his selection, execute a bond to the board, with good surety, in such penal sum as the board directs, to be approved by the board, conditioned upon the faithful performance of the duties of his office, and that he will safely keep and will truthfully account for all money and properties that come into his hands as treasurer of the fund, and that upon the expiration of his term of office, he will deliver to his successor all securities, unexpended moneys, and other properties that come into his hands as treasurer of the fund. The bond will be filed with the secretary of the board, and suit thereon may be filed in the name of the board for use of the board or any person injured by its breach. The premium on said bond may be paid out of the fund, except that the board shall have the power to hire independent counsel for any suits or actions of law, the cost of such independent counsel to be borne by the board.

(5) The director of law of the city shall serve as legal adviser to the board on all matters pertaining to the fund involving suits or actions at law, and on any questions of the interpretation of the provisions hereof, except that the board shall have the power to hire independent counsel for any suits or actions of law, the cost of such independent counsel to be borne by the board.

(6) The board may employ actuarial assistance from time to time to advise it in matters relating to the technical aspects of operations of the fund, to assist in the preparation of the periodic financial reports, to determine rates of city contribution and to make periodic analyses of the operation of the fund. Within six (6) months after the establishment, an actuarial study shall be made for the purpose of recommending rates, mortality, disability, retirement, separations from service and other essential factors. At least once every five (5) years thereafter, an actuarial survey and investigation shall be made of the operating experience of the fund, including a study of the rates, mortality, disability, retirement, separations from service and other essential factors. The actuary shall recommend all mortality and interest tables to be adopted by the board, and shall recommend, if appropriate, cost of living increases as provided in KRS 95.859. In the event such survey is not undertaken as provided herein, any member of the fund or any annuitant may obtain an injunction or mandamus requiring such survey and investigation, or may obtain the appointment of a person or persons to make such study and investigation, from the circuit court of any county in which the city is located.

(7) The board shall establish rules and regulations to implement the provisions of KRS 95.851 to *95.991* [95.885] which shall not be inconsistent therewith.

Section 90. KRS 95.874 is amended to read as follows:

(1) An adequate system of accounts and records shall be established and maintained for the fund that will reflect fully the requirements of the provisions of KRS 95.851 to *95.991* [95.885]. This system shall be integrated, to the extent possible with the accounts, records, and procedures of the city to the end that the same shall operate most effectively and at minimum expense, and that duplication of records and accounts may be avoided.

(2) All assets of the fund shall be credited according to the purposes for which they are held in the following designated reserve accounts:

(a) Members' Contribution Reserve. The amounts contributed by the members shall be credited to this reserve, together with regular interest thereon as herein provided. An individual account shall be maintained for each member, to which shall be credited the amounts of his contributions. Upon the granting of a service retirement annuity, disability annuity, or survivor's annuity or benefit, the accumulated contributions to the credit of the member concerned shall be transferred from this reserve to the retirement reserve. Refunds and death payments representing member's contributions shall be charged to this reserve.

(b) Employer's Contribution Reserve. The amounts contributed by the city under the provisions hereof, for service retirement annuity, disability retirement annuity, and benefits to survivors covering membership service and prior service, shall be credited to this reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, an amount representing the excess of the actuarial value of the annuity, or benefit over the accumulated contributions of the member, shall be transferred from this reserve to the retirement reserve.

(c) Retirement Reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, the accumulated contributions of the member and an amount representing the excess of the actuarial value of the annuity or benefit over such accumulated contributions, shall be transferred to this reserve from the member's contribution reserve and employer's contribution reserve, respectively. All income from investments, including gains on investment transactions, shall be credited to this reserve. All losses on investments shall be charged to this reserve. All payments on account of any annuity made by the fund shall be charged to this reserve. Any excess balance in this reserve, as determined by actuarial valuation as of the close of any fiscal year, shall be applied to reduce the city's contributions for membership service for the fiscal years next following the date of such valuation. Any deficiency in this reserve shall be removed by an increase in the amount of city's contributions for future membership service.

Section 91. KRS 95.876 is amended to read as follows:

The fund created by KRS 95.851 to *95.991* [95.885] shall continue to make payment of all annuities, pensions, and benefits granted by superseded pension funds at the rates previously fixed and under the conditions previously in effect.

Section 92. KRS 96.070 is amended to read as follows:

The legislative body of any city of the fourth class may grant *rights* [right] of *way* [ways] over the public streets or public grounds of the city to any utility company, on such conditions as seem proper, shall have a supervising control over the use of same, and shall regulate the speed of cars and signals and fare on street cars. The legislative body may compel any railroad company to erect and maintain gates at street crossings and prevent railroads from obstructing public ways of the city, and fix penalties for the violation of these provisions. Nothing in this section shall prevent any property owner whose property abuts on a street on which a railroad is granted a right of way from recovering from the railroad any damage done to his property by the occupation or use of the street by the railroad.

Section 93. KRS 98.011 is amended to read as follows:

Any department of public welfare established under the provisions of KRS *83.570* [83.160] and KRS 98.010 may recover from any person who receives general assistance in the form of money payments an amount equal to the sum of such money payments, and such department may recover an amount of money equal to the value of any assistance in kind or service to or for the benefit of any person only in the following circumstances: if the recipient though destitute at the time he receives assistance subsequently receives from other than public sources income or other support in sufficient amount to reimburse the department, partially or wholly. Nothing in this section shall be construed to authorize the department to make or cause to be made any claim for recovery of assistance except within two (2) years from the date the assistance was rendered in money, kind or service to or for the benefit of the recipient.

Section 94. KRS 98.014 is amended to read as follows:

If any inmate or patient of any institution operated under the provisions of KRS *83.570* [83.160], except the city workhouse, who is eligible for admission to said institution under the ordinances of the city and rules and regulations of the city's department of public welfare is financially able to pay a portion of the cost of his care, the city's department of public welfare shall have the authority to receive such payment as he is able to make.

Section 95. KRS 99.650 is amended to read as follows:

(1) Each agency created under the terms of KRS 99.610 to 99.680 shall constitute a public body corporate and politic, exercising public and essential governmental functions, and shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of KRS 99.610 to 99.680 including but without limiting the generality of the foregoing, the following powers in addition to other powers granted herein and by other statutory authority:

(a) To sue and be sued; to have a seal; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers;

(b) To make, and from time to time amend and repeal bylaws, rules and regulations not inconsistent with KRS 99.610 to 99.680, to carry into effect the powers and purposes thereof, subject to approval, amendment or modification by the governing board;

(c) To select and appoint such officers, agents, counsel and employes, permanent and temporary, as it may require, and determine their qualifications, duties and compensation, subject, however, to the provisions of its budget;

(d) Within the jurisdiction of the city in which it is established, and for the purpose of developing a project area or areas, to purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise or otherwise, any real or personal property or any interest therein, together with any improvements thereon; to clear any and all buildings, structures or other improvements from any real property so acquired; to renovate or rehabilitate any improvements to such real property so acquired and to dispose of any personal property resulting therefrom; to develop and construct residential housing for persons and families of lower income; to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage, deed of trust or otherwise, or otherwise to dispose of any real or personal property or any interest therein at its fair value for uses in accordance with the development plan, irrespective of the cost of acquiring and preparing said property; to insure or provide for the insurance of any real or personal property or operation of the agency against risks or hazards; and pursuant to the provisions of KRS 99.610 to 99.680; to rent, maintain, manage, operate, and repair such real property and any improvements thereto;

(e) Within the jurisdiction of the city in which it is established, and for the purpose of developing a project area or areas: to make or participate in the making of construction, land development, mortgage and rehabilitiation loans and to purchase or participate in the purchase of construction, land development, mortgage and rehabilitation loans for residential housing projects, provided, however, that such loans shall be made only upon the the determination by the agency that such loans are not otherwise available, wholly or in part, from private lender upon reasonably equivalent terms and conditions; to insure or reinsure construction land development, mortgage and rehabilitation loans on residential housing projects provided, however, that any such insurance or reinsurance shall be made only upon the determination by the agency that such insurance or reinsurance is not otherwise available wholly or in part from private insurers upon reasonably equivalent terms and conditions; to make grants from appropriated funds, and any other funds from any source available to the agency, to builders, developers, and owners of residential housing for the development, construction, rehabilitation or maintenance of residential housing and such facilities related thereto as the agency shall deem important for a proper living environment, all on such terms and conditions as may be deemed appropriate by the agency; to sell, at public or private sale, all or any part of any mortgage or other instrument or document securing a construction land development, or rehabilitation loan for residential housing projects of any type, appropriate to the purpose of the agency; to consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purposes, to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other terms, of any mortgage loan, mortgage loan commitment, construction or land development loan, rehabilitation loan, contract or agreement of any kind relating to residential housing projects to which the agency is a party;

(f) Within a project area, to cause streets and highways to be laid out and graded, and pavements or other road surfacing, sidewalks, curbs, gutters, storm sewers and public utilities of every kind to be improved, constructed and installed and to close any streets according to the development plan;

(g) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which banks or insurance companies may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled;

(h) To obligate lessees or purchasers of land acquired in a project: (1) to use such land for the purpose designated in the development plan; (2) to begin the building of specified improvements or renovation of existing improvement within a period of time which the agency fixes as reasonable; and (3) to comply with such other conditions as in the opinion of the agency are necessary to carry out the purposes of KRS 99.610 to 99.680; the agency, by provision in the contract, deed or lease may make any of the purchaser's obligations, covenants or conditions running with the land, whose breach shall cause the fee to revert to the agency;

(i) To contract as, and to accept the obligations of, an owner of benefited property under the terms of KRS 107.010 to 107.220, inclusive;

(j) To exercise all powers granted to governmental agencies under proposed legislation which deals with the use of "tax increment" revenues and financing of public purpose projects through the use thereof; and

(k) To exercise all powers granted to governmental agencies by KRS 58.010 to 58.140, inclusive; [and

(1) To exercise all or any part or combination of the powers herein granted.

(2) Nothing contained in this section shall authorize such agency to construct any of the buildings for residential, commercial, industrial or other use contemplated by the development plan, except as to the development and construction of residential housing for persons and families of lower income and except insofar as any industrial building may be authorized to be constructed by a lessee, on behalf of the agency, under the provisions of KRS 103.200 to 103.285, inclusive.]

(l) To make periodic grants to reduce principal and interest payments on mortgages or rentals payable by persons and families of low income;

(m) To rehabilitate, acquire, establish and operate, lease and sublease, residential housing for persons and families of lower income and to enter into agreements or other transactions with any federal, state or local government agency for the purpose of providing adequate living quarters for such persons and families and to contract to assume the rights, powers, duties and obligations of any local housing authority or similar agency of the federal, state, city or urban county governments.

(n) To borrow from and to accept loans and grants from the federal, state, city or urban county governments or any agency thereof, or from any sources, public or private, for the purposes of KRS 99.610 to 99.680, and to pledge such security as may be required, an agency, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal, state, city or urban county government any conditions which the federal, state, city or urban county government may attach to its financial aid not inconsistent with the purposes of KRS 99.610 to 99.680*; and* *(o) To exercise all or any part or combination of the powers herein granted.*

(2) Nothing contained in this section shall authorize such agency to construct any of the buildings for residential, commercial, industrial or other use contemplated by the development plan, except as to the development and construction of residential housing for persons and families of lower income and except insofar as any industrial building may be authorized to be constructed by a lessee, on behalf of the agency, under the provisions of KRS 103.200 to 103.285, inclusive.

Section 96. KRS 100.201 is amended to read as follows:

Cities and counties which are members of a planning unit which has adopted at least the objectives *and* [of] the land use plan elements may divide the territory within their area of jurisdiction into zones on an interim or permanent basis to promote public health, safety, morals, and general welfare of the planning unit, to facilitate orderly and harmonious development and the visual or historical character of the unit, and to regulate the density of population and intensity of land use in order to provide for adequate light and air. In addition, zoning may be employed to provide for vehicle parking and loading space, as well as to facilitate fire and police protection, and to prevent the overcrowding of land, blight, danger, and congestion in the circulation of people and commodities, and the loss of life, health, or property from fire, flood or other dangers. Zoning may also be employed to protect airports, highways, and other transportation facilities, public facilities, including schools and public grounds, historical districts, central business districts, natural resources, and other specific areas of the planning unit which need special protection by the planning unit.

Section 97. KRS 100.241 is amended to read as follows:

The board shall have the power to hear and decide on applications for dimensional variances where, by reason of the exceptional narrowness, shallowness, or unusual shape of a site on the effective date of the zoning regulation or by reason of exceptional topographic conditions, or some other extraordinary situation or condition of that site, the literal enforcement of the dimensional requirements (height or width of building or size of yards, but *not* [no] population density) of the zoning regulation would deprive the applicant of reasonable capacity to make use of the land in a manner equivalent to the use permitted other landowners in the same zone. The board may impose any reasonable conditions or restrictions on any variance it decides to grant.

Section 98. KRS 108A.120 is amended to read as follows:

Additional territory may be added to a new community district in the following manner:

(1) Territory in an unincorporated area shall be added to a new community district upon approval of the board of commissioners of the district and the county judge/executive *in the county* in which any portion of the additional territory is located when a petition signed by 51 percent of the registered voters in the territory is filed with the county judge/executive in the county in which the greater portion of said territory is located.

(2) Territory of an incorporated city or other district may be added to a new community district by agreement between the legislative body of the city or governing board of the district and the board of commissioners of the new community district.

Section 99. KRS 116.045 is amended to read as follows:

(1) Any person may register as a voter during the period registration is open if he possesses, or will possess on the day of the next regular election, the qualifications set forth in KRS 116.025.

(2) Except during implementation of the initial statewide registration [as provided in subsection (4) of KRS 116.025], the county board of elections shall cause all registration to be closed the thirty (30) days prior to, and the five (5) days following, any primary or general election, and the ten (10) days prior to any special election. No voter shall be registered or be permitted to change his registration during the period that the registration is closed; except that, registration shall be closed only in those precincts in which the election is held.

(3) In all counties the county clerk, when authorized by the county board, shall receive registration, transfers, or change of party affiliation at branch offices at any place in the county during those periods that the registration books are open. However, notice in the manner provided by KRS chapter 424 must be given at least three (3), but not more than fourteen (14), days in advance of the time and place of any branch registration, and ten (10) days' written notice must be given to the county executive committee of each major political party in the county in which the branch registration is to be held.

(4) Any person may register to vote or may change his party affiliation in the following ways:

(a) In person;

(b) By mail;

(c) By such other methods of registration, or reregisration, as approved by the state board of elections, including the use of voluntary interested groups and political parties, under the proper supervision and directions of the county board of elections, which may include door to door canvassing.

(5) Upon receipt of the form prescribed by the state board of elections, properly filled out and signed by the applicant, the county clerk shall register the applicant.

(6) Any individual or group shall have access to a reasonable number of voter registration forms in the county clerk's office. Such individual or group shall return these completed forms to the county clerk for official registration by the county clerk.

Section 100. KRS 118.995 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 118.136 shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500), or confined in the county jail for not less than thirty (30) days nor more than ninety (90) days, or both.

(2) If the secretary of state violates any of the provisions of subsection (4) of KRS 118.215 he shall be confined in the penitentiary for not less than one (1) year nor more than three (3) years.

(3) Any person who violates subsection (5) of KRS 118.176 shall be fined not less than twenty dollars ($20) nor more than five hundred dollars ($500) or imprisoned in the county jail for not less than one (1) month nor more than six (6) months, or both, and may also be proceeded against for contempt.

(4) If any county clerk violates any of the provisions of subsection (4) of KRS 118.305, [or if the secretary of state violates any of the provisions of subsection (2) of KRS 118.395] he shall be confined in the penitentiary for not less than one (1) year nor more than three (3) years.

Section 101. KRS 118A.040 is amended to read as follows:

(1) Circuit judges shall be elected from the judicial circuits established in KRS Chapter 23*A*.

(2) In judicial circuits having two (2) or more judges there shall be, for election purposes, numbered divisions corresponding to the number of circuit judges in the circuit. Each judge shall be elected at large from the entire circuit.

(3) Each numbered division of a circuit shall be voted upon and shall be tallied separately.

Section 102. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half (31 ½) cents upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half (1 ½) cents upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half (1 ½) cents upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five (25) cents upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half (1 ½) cents upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen (15) cents upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen (15) cents upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen (15) cents upon property which has been certified as a pollution control facility as defined in KRS 224.850, and forty-five (45) cents upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half (1 ½) cents upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation[, as defined in KRS 141.205(3)], and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value.

(6) Thirty (30) cents of the thirty-one and one-half (31 ½) cents state tax rate on real property and thirty (30) cents of the forty-five (45) cents state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty (30) cents, as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By July 1 each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the department shall, when real property assessments equaling at least seventy-five percent (75%) of the estimated total value of the real property assessments have been certified, make an estimate of the uncertified amount and compute the state tax rate.

Section 103. KRS 132.370 is amended to read as follows:

(1) There shall be a property valuation administrator in each county in lieu of a county assessor.

(2) Property valuation administrators shall be elected in the year in which county elections are held and shall enter upon the discharge of the duties of their office on the first Monday in December after their election and continue in office for a period of four (4) years, and until the election and qualification of their successors. Property valuation administrators shall possess the qualifications required by section 100 of the constitution and by KRS 132.380 and shall be eligible for re-election.

(3) The property valuation administrators and all deputies and assistants of their offices who qualify as full time employes, shall be eligible for participation in the provisions of KRS 18.410, 18.510 through 18.600 and 61.510 through *61.692* [61.700].

(4) A property valuation administrator may be removed from office by the circuit court of his county, upon petition of the department or any taxpayer, for wilful disobedience of any just or legal order of the department, or for misfeasance or malfeasance in office or wilful neglect in the discharge of his official duties, but he or the petitioner may appeal to the Court of Appeals.

Section 104. KRS 137.115 is amended to read as follows:

(1) The fiscal court of each county is hereby given the authority to impose with respect:

(a) To each restaurant serving meals, a license fee not to exceed ten dollars ($10) per annum;

(b) To each retail outlet of soft drinks or ice cream, a license fee not to exceed five dollars ($5) per annum. In cases where ice cream and soft drinks are sold by the same retail outlet, one (1) license tax not to exceed ten dollars ($10) per annum;

(c) To each billiard or pool table or bowling alley, irrespective of size, where a fee is charged and collected, directly or indirectly, a license fee not to exceed thirty dollars ($30) per annum for the first table or alley and not to exceed five dollars ($5) per annum for each additional table or alley;

(d) To each place where tobacco products are sold at retail, a license fee not to exceed ten dollars ($10) per annum.

(2) All license fees shall be payable to the county clerk and be credited to the general fund of the county to be used for county purposes only.

(3) The fiscal court of any county may allow the county clerk a commission not to exceed five per cent (5%) on the license fees collected and accounted for by him under this section in addition to the one dollar and a half ($1.50) fee provided in KRS *64.012* [64.010].

SECTION 105. KRS 138.750 IS REPEALED AND REENACTED AS KRS 138.225.

(1) In order to prevent unjust enrichment resulting from the consumption or sale of gasoline or special fuels or liquefied petroleum gas motor fuels on or after the date on which any state gasoline, special motor fuels, or liquefied petroleum gas motor fuels taxes are increased, pursuant to KRS 138.220(2), 138.565(3), 138.660(2) or 234.320(2), upon which a tax of only nine cents per gallon has been paid into the state treasury, it is hereby declared to be the intent of the general assembly that all gasoline, special fuels, or liquefied petroleum gas motor fuels subject to tax under the provisions of KRS Chapters 138 and 234 which are stored, consumed, or sold on and after the effective date of such state tax increases shall be subject to such additional tax in accordance with such an increase, the total amount of such tax to be determined by the department of revenue. The additional tax which may be levied under the provisions of this section shall be implemented and collected as follows:

(a) All licensed gasoline, special fuels, and liquefied petroleum gas motor fuels dealers subject to such a tax increase shall report, in a manner and form to be prescribed by the department of revenue, the amount of such fuels on hand at the close of business on the day first preceding the effective date of such tax increases upon which a tax of nine cents per gallon has been paid or accrued and shall remit to the department of revenue such additional tax on each such gallon of gasoline, special fuels, or liquefied petroleum gas motor fuels as required to meet the total increased tax as determined by that department. Such report and tax shall be due and payable on the date prescribed by the department of revenue.

(b) All other persons having gasoline, special fuels, or liquefied petroleum gas motor fuels subject to such a tax increase on hand at the close of business on the day first preceding the effective date of such tax increases which has been subjected to a tax of only nine cents per gallon shall remit to the department of revenue such additional tax on each such gallon of gasoline, special fuels, or liquefied petroleum gas motor fuels as required to meet the total increased tax as determined by that department. Such additional tax shall be due and payable on the date prescribed by the department, and such persons shall file such reports and keep such records in respect thereof as may be prescribed by the department.

(2) Notwithstanding the provisions of subsection (1) of this section, the additional tax which may be levied by this section shall not be applicable to gasoline, special fuels, or liquefied petroleum gas motor fuels which is in the fuel supply tank of any internal combustion engine.

Section 106. KRS 138.820 is amended to read as follows:

(1) An excise tax of ten cents (10¢) per pound is hereby levied and shall be paid by the processor to the department upon all contaminated waste materials and all radioactive waste material delivered in the Commonwealth of Kentucky for processing, packaging, storage, disposal, burial or other disposition.

(2) Any person receiving contaminated waste materials or radioactive waste material or both or any person having an interest or right of occupancy or use in real property or improvements and any person owning, operating or maintaining a solid waste disposal site or facility as defined in KRS *224.005(19)* [211.700(5)] upon or in which the same shall be deposited for processing, packaging, storage, disposal, burial or other disposition shall collect from the person delivering such material the tax imposed by this section.

(3) Every processor shall file with the department, on forms prescribed by the department, a monthly tax return. The return shall be made under penalty of perjury and shall contain such information as the department may require.

(4) The monthly tax return shall be accompanied by remittance of the tax then due.

Section 107. KRS 146.310 is amended to read as follows:

All state agencies shall, promptly upon June 16, 1972, inform the Commissioner of the department for natural resources and environmental protection of any proceedings, studies, or other activities within their jurisdictions, and regardless of by whom requested, which are now in progress and which affect or may affect any of the streams specified in KRS *146.241* [146.240]. They shall likewise inform him of any such proceedings, studies or other activities which are hereafter commenced or resumed before they are commenced or resumed.

Section 108. KRS 147A.020 is amended to read as follows:

(1) The department for local government shall exercise all administrative functions of the state as provided in the county debt act, KRS 66.280 to 66.390; as regards county and local government budgets as provided in KRS 68.210 to *68.360* [68.370]; and as to local government bonds as provided in KRS 66.045.

(2) The department for local government shall have the following powers and duties:

(a) To require such reports from local governments as will enable it adequately to provide the technical and advisory assistance authorized by this section. The reports shall provide the necessary information for a complete file on local government debt, which shall be kept open for public inspection at the state local finance offices.

(b) To encourage, conduct, or participate in training courses in debt and general fiscal management and procedures and practices for the benefit of local officials, and in connection therewith, to cooperate with associations of public officials, business and professional organizations, university faculties, or other specialists.

(c) To conduct studies in debt management, including ways and means of appraising the terms of alternative bids.

(d) To request such assistance and information, which shall be provided by all departments, divisions, boards, bureaus, commissions, and other agencies of state government to enable the state local finance officer to carry out his duties under this section.

(e) At its discretion, to compile and publish annually a report. Such report may include detailed information on local government long-term debt issued and retired during the previous year and outstanding, and other available statistical data on local government finances.

(3) The department for local government shall coordinate for the governor the state's responsibility for, and shall be responsible for liaison with the appropriate state and federal agencies with respect to the following programs:

(a) Housing and urban development act as amended;
(b) Demonstration cities and metropolitan development act as amended.

(4) The department for local government shall provide technical assistance and information to units of local government, including but not limited to:

(a) Fiscal management;
(b) Personnel administration;
(c) Purchases and contracts;
(d) Ordinances and codes;
(e) Community development.

Section 109. KRS 148.011 is amended to read as follows:

(1) There shall be established in the state government a department of parks, a statutory administrative department within the meaning of KRS chapter 12, the executive head of which shall be the commissioner of parks.

(2) The commissioner of parks shall be appointed by the governor as provided in KRS 12.040 for the heads of statutory administrative departments and shall receive an annual salary not to exceed the amount provided in KRS 64.640 (2) relating to compensation for the heads of other statutory administrative departments.

(3) The commissioner of parks may establish divisions in accordance with the terms of KRS *12.050* [12.030].

(4) The heads of the divisions in the department of parks shall be appointed by the commissioner of parks in accordance with the provisions of KRS 12.050.

Section 110. KRS 402.060 is amended to read as follows:

No minister or priest shall solemnize marriage until he has obtained a license therefor from the *county judge/executive* [appropriate court] of the county in which he resides, or in which he serves as a minister or priest in a place of worship, upon satisfying the *county judge/executive* [court] that he is a person of good moral character and in regular communion with his religious society, and upon giving covenant to the Commonwealth, with good surety, not to violate the law of this state concerning marriage. Any such license may be annulled by any county judge/executive, after notice to the person holding the license.

Section 111. KRS 148.056 is amended to read as follows:

(1) The commissioner of parks, in his discretion, may employ and commission park rangers as the commissioner deems necessary to secure the parks and property of the department and to maintain law and order and such employes, when so commissioned, shall have all of the powers of peace officers and shall have in all parts of the state the same powers with respect to criminal matters and enforcement of the laws relating thereto as sheriffs, constables and police officers in their respective jurisdictions, and shall possess all the immunities and matters of defense now available or hereafter made available to sheriffs, constables and police officers in any suit brought against them in consequence of acts done in the course of their employment. [The powers and duties of park rangers referred to in this section shall, within the limits of any incorporated city of the first to the fifth class inclusive, be subject to and limited by KRS 16.120 in the same manner as those of an officer of the state police.]

(2) The designation of any such employe as a peace officer shall be governed by the provisions of KRS 61.300 except that he shall not be required to have resided in the county wherein he is to serve for a period of at least two years, and he shall be required to file his photograph and affidavit only with the Franklin County Clerk.

(3) Any employe so commissioned shall be required to execute bond, subject to the provisions of KRS 62.170, for the faithful and lawful performance of his duties.

Section 112. KRS 342.275 is amended to read as follows:

Except with respect to uncontested claims for disability or death by reason of *occupational* [occupation] diseases, the board, or any of its members, the director or any hearing officer directed by the board shall hear the parties at issue and their representatives and witnesses and the full board shall determine the dispute in a summary manner. The award, order or decision shall be made within thirty (30) days after final submission, except in cases involving large or complicated records or unusual questions of law, and shall be made within sixty (60) days after final submission in any event. However, if the award, order or decision is not rendered within thirty (30) days the board shall notify the parties in dispute setting out the reasons for such delay. The award, order or decision, together with a statement of the findings of fact, rulings of law and any other matters pertinent to the question at issue shall be filed with the record of proceedings, and a copy of the award, order or decision shall immediately be sent to the parties in dispute.

Section 113. KRS 149.410 is amended to read as follows:

The commonwealth's attorney or county attorney shall initiate and prosecute appropriate abatement proceedings by injunction or otherwise, for the prevention or correction of any condition constituting or threatening to constitute a violation of KRS 149.360 to 149.430. The institution or pendency of a proceeding pursuant to this section shall not bar the imposition of any penalties or the securing of any other relief provided by KRS 149.360 to 149.430, 149.991, 150.992, 277.990, *512.020 to 512.040* [433.060 or 433.070], or rules or regulations promulgated thereunder.

Section 114. KRS 152.310 is amended to read as follows:

As used in KRS 152.310 to 152.390, and KRS *152A.100* [152A.400] unless the context requires otherwise, the term "research" includes scientific, technical, and economic research and the practical application of that research; the term "secretary" shall mean the secretary of the Kentucky department of energy; the term "board" shall mean the board for energy research.

Section 115. KRS 155.030 is amended to read as follows:

In furtherance of the purposes set forth in KRS 155.020 above and in addition to the powers conferred on business corporations by the provisions of KRS chapter *271A* [271] the corporation shall, subject to the restrictions and limitations herein contained, have the following powers:

(1) To elect, appoint and employ officers, agents and employes; to make contracts and incur liabilities for any of the purposes of the corporation; Provided, That the corporation shall not incur any secondary liability by way of guaranty or indorsement of the obligations of any person, firm, corporation, joint stock company, association, or trust, or in any other manner;

(2) To borrow money from any source including the United States government, or any instrumentality thereof, including the small business administration and similar agencies, for any of the purposes of the corporation; to issue therefor its bonds, debentures, notes or other evidences of indebtedness, whether secured or unsecured, and to secure the same by mortgage, pledge, deed of trust or other lien on its property, franchises, rights and privileges of every kind and nature or any part thereof or interest therein, without stockholder or member approval; Provided, That no loan to the corporation shall be secured in any manner unless all outstanding loans to the corporation are secured equally and ratably in proportion to the unpaid balance of such loans and in the same manner;

(3) To make loans to any person, firm, corporation, joint-stock company, association or trust, and to establish and regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith; Provided, however, That the corporation shall not approve any application for a loan unless and until the person applying for said loan shall show that he has applied for the loan through ordinary banking channels and that the application has been refused by at least one (1) bank or other financial institution. The corporation may charge interest on such loans at rates of interest not to exceed whichever is the higher of the two (2) following rates: (a) the rate mentioned in KRS 360.010; (b) two per cent (2%) in excess of the prime rate prevailing on unsecured commercial loans among the majority of the New York City clearing house member banks on the first day of the month in which the loan is made;

(4) To purchase, receive, hold, lease, or otherwise acquire, and to sell, convey, transfer, lease or otherwise dispose of real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including, but not restricted to, any real or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations;

(5) To acquire the good will, business, rights, real and personal property, and other assets, or any part thereof, or interest therein, of any persons, firms, corporations, joint-stock companies, associations, or trusts, and to assume, undertake, or pay the obligations, debts, and liabilities of any such person, firm, corporation, joint-stock company, association or trust; to acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments thereon or for the purpose of disposing of such real estate to others for the construction of industrial plants or other business establishments; and to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of industrial plants or business establishments;

(6) To acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint-stock company, association or trust, and while the owner or holder thereof to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon; and to acquire stock or stock options in the corporation or organization to which it makes loans;

(7) To mortgage, pledge, or otherwise encumber any property, right or thing of value, acquired pursuant to the powers contained in subsections (4), (5), or (6), as security for the payment of any part of the purchase price thereof;

(8) To cooperate with and avail itself of the facilities of the department of commerce and the industrial development finance authority and any similar governmental or private agencies; and to cooperate with and assist, and otherwise encourage organizations in the various communities of the Commonwealth in the promotion, assistance, and development of the business prosperity and economic welfare of such communities or of this Commonwealth or of any part thereof;

(9) To do all acts and things necessary or convenient to carry out the powers granted in this chapter.

Section 116. KRS 155.120 is amended to read as follows:

(1) Articles of incorporation may be amended by the votes of the stockholders and the members of the corporation, voting separately by classes, and such amendments shall require approval by the affirmative

vote of two-thirds (⅔) of the votes to which the stockholders are entitled and two-thirds (⅔) of the votes to which the members are entitled; Provided, That no amendment of the articles of incorporation which is inconsistent with the general purposes expressed herein or which authorizes any additional class of capital stock to be issued, shall be made.

(2) Within thirty (30) days after any meeting at which amendment of the articles of incorporation has been adopted, articles of amendment signed and sworn to by the president, treasurer and a majority of the directors, setting forth such amendment and the due adoption thereof, shall be submitted to the secretary of state, as provided in KRS *271A.310* [271.450].

Section 117. KRS 156.136 is amended to read as follows:

The state board of education, upon suspension of any officer or district board of education member under subsections (2) and (3) of KRS 156.132, shall name a person to fill the vacancy caused by such suspension. Persons appointed by the state board of education to fill vacancies under KRS 156.132 to *156.136* [156.146] shall hold office only during the time an officer is suspended, not to exceed ninety (90) days from the date of suspension. At the expiration of such period, vacancies shall be filled in the manner provided by law for the office. Persons appointed by the state board of education to fill vacancies caused by suspension shall be paid from funds of the district board of education. Any person employed to fill the position of a superintendent who has been removed by the state board of education under KRS 156.132 shall be employed by the district board of education for a period not to exceed one (1) year if the superintendent has appealed to the courts and if the courts have not taken final action.

Section 118. KRS 160.597 is amended to read as follows:

Any school tax authorized by KRS 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 may be recalled as follows:

(1) The order or resolution levying any of the school taxes designated heretofore in this section shall go into effect not less than thirty (30) days nor more than ninety (90) days after its passage. If during the thirty (30) days immediately following the passage of the order or resolution a petition signed by a number of registered and qualified voters equal to fifteen per cent (15%), except in counties containing a city of the first class, equal to five percent (5%), of the votes cast in the school district or combined taxing district levying the tax for the office receiving the greatest total vote at the last preceding presidential election is presented to the county board of elections requesting that the order or resolution of such tax be placed on the ballot for voter approval, the order or resolution shall be suspended from going into effect for that district until after the election provided for in subsection (2) of this section. The person presenting the petition shall be given a receipt indicating the date of presentation. Each sheet of the petition shall contain the names and addresses of voters in but one (1) voting precinct and each sheet shall state the name, number, or designation of the precinct and, where applicable, the name, number or designation of the district or ward wherein the precinct is situated. Each voter shall sign his name in the same manner as he signed the current registration form described in KRS *116.155* [116.153] or subsection (2) of KRS 116.045, as the case may be. If the signature is difficult to read, the voter shall, on the same line legibly write or print his name in the same fashion as he signed it. One or more persons shall verify by affidavit the signatures and addresses of the signers of the petition. The county board of elections shall make the determination of whether the petition contains enough signatures of qualified voters to suspend the effect of the order or resolution, and immediately thereafter shall notify the school board that the petition has been received and that the order or resolution levying such tax will be placed on the ballot for voter approval at the next general election. The board of elections shall certify to the school board within thirty (30) days of receipt of the petition that the petition is properly presented and in compliance with the provisions of this section. If the board of elections finds the petition to be invalid, it shall state in writing the deficiency of said petition. Written notification that the petition has been declared invalid and the deficiencies thereof shall be sent by registered mail to the person to whom a receipt was given by the board of elections, and shall be published at least one time in a newspaper of general circulation within the county containing the school district levying the tax, or if there be no such newspaper, shall be posted at the courthouse door. If good cause is shown, the board of elections shall permit the petitioners to correct the deficiencies either by securing additional valid signatures or by circulating a new petition, such petition to be submitted to the board within thirty (30) days from the date of the written notification of the deficiencies.

(2) Thereupon, if it has been determined that the petition contains enough valid signatures to suspend the effect of the order or resolution, the county board of elections shall submit to the voters of the school district in which a valid recall petition has been filed pursuant to subsection (1) of this section at the next regular November election the question as to whether the tax shall be levied. The question shall be so framed that the voter may by his vote answer, "for" or "against." If a majority of the votes cast in a district or combined taxing district upon the question oppose its passage, the order or resolution shall not go into effect in that district or combined taxing district. If a majority of the votes cast in a district or combined taxing district upon the question favor its passage, the order or resolution shall go into effect in that district. In the event that the election is to be held in more than one (1) school district within a county the votes shall be counted separately.

(3) If any statute in existence on June 17, 1978, is found to be in conflict with any provision of this section, the provisions of this section shall prevail.

Section 119. KRS 161.120 is amended to read as follows:

Any certificate issued under KRS 161.010 to *161.100* [161.110], or any certificate or license issued under any previous law to superintendents, principals, teachers, supervisors, directors of pupil personnel or other administrative, supervisory or instructional employes may be revoked by the state board of education, on the written recommendation of the superintendent of public instruction, for immorality, misconduct in office, incompetency or wilful neglect of duty, or upon the determination that a certificate applicant presented or declared false information toward obtaining the issuance or renewal of any type of teacher certification. Before the certificate is revoked the defendant shall be given a copy of the charges against him and an opportunity, upon not less than ten (10) days' notice, to be heard in person or by counsel.

Section 120. KRS 161.540 is amended to read as follows:

(1) Each member shall contribute to the retirement system seven and seven-tenths per cent of his annual compensation. The contribution of a member shall not exceed this percentage on his current annual compensation.

(2) Effective July 1, 1979, each member shall contribute to the retirement system seven and eighty-four *hundredths* [hundreds] percent of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation.

(3) Effective July 1, 1980, each member shall contribute to the retirement system nine and thirty-two *hundredths* [hundreds] percent of annual compensation except that university faculty members shall contribute seven and eighty-four *hundredths* [hundreds] percent of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation.

Section 121. KRS 163.120 is amended to read as follows:

The superintendent of public instruction is hereby authorized to establish within the department of education a state rehabilitation agency. This agency shall have such powers and duties as contained in KRS 163.110 to 163.180 and such other functions as may be established by regulation of the state board *for occupational education* [of education].

Section 122. KRS 163.180 is amended to read as follows:

The superintendent of public instruction is hereby authorized and empowered (with approval of the state board *for occupational education* [of education]) to accept and use gifts made by will or otherwise for carrying out the purposes of KRS 163.110 to 163.180. Gifts made under such conditions as in the judgment of the superintendent of public instruction are proper and consistent with the provisions of KRS 163.110 to 163.180 may be so accepted and shall be held, invested, reinvested, and used in accordance with the provisions of KRS 163.110 to 163.180.

Section 123. KRS 164.150 is amended to read as follows:

No member of the board of trustees shall be held to be a public officer by reason of his membership on the board except as provided in KRS *45A.335* [61.094] for the purpose of KRS *45A.340* [61.096].

Section 124. KRS 164.150 is amended to read as follows:

No member of the board of trustees shall be held to be a public officer by reason of his membership on the board except as provided in KRS *45A.335* [61.094] for the purpose of KRS *45A.340* [61.096].

Section 125. KRS 164.744 is amended to read as follows:

The purpose of the Kentucky higher education assistance authority shall be to improve the higher education opportunities of persons who are attending or planning to attend eligible institutions. *Such purpose is hereby declared to be a public purpose for which public money may be spent.* Pursuant to rules and regulations which may be adopted by the board which are not inconsistent with the federal act, the authority may:

(1) Insure loans to students who are residents of Kentucky for the purpose of enabling such students to pursue courses of study at eligible institutions, and to students who are nonresidents to attend eligible institutions in the Commonwealth, but such insurance shall be provided only if such loans meet the criteria of the federal act and are the subject of agreements with the commissioner, pursuant to the federal act and where the subject eligible lender has entered into an appropriate contract with the authority; and,

(2) Provide from funds available to it loans, grants, scholarships, and work-study awards to persons who are residents of Kentucky to enable such persons to pursue an eligible course of study at a business school, college, school of nursing or vocational school located in the Commonwealth, and, if required by the federal act, to such persons attending such nonprofit institutions as may be approved by the board.

[Such purpose is hereby declared to be a public purpose for which public money may be spent.]

Section 126. KRS 164.810 is amended to read as follows:

(1) As used in KRS 164.810 to 164.870, the following terms shall have, unless the context shall otherwise indicate, the following meanings:

(a) "University of Louisville" means the university which is situated in a city of the first class, and which has heretofore consituted a municipal university within the meaning and application of KRS *165.010* [165.020], et seq.

(b) "Council" means the council on higher education in Kentucky.

(2) Consistent with the provisions of KRS 164.026 and chapter 239 of the 1968 Kentucky Acts, the University of Louisville shall be maintained as a state institution effective July 1, 1970, subject to its qualification to receive the benefits of such status in the manner set forth in subsection (3) of this section.

(3) The University of Louisville, having been chartered by chapter 137, Acts of 1845-6, approved February 7, 1846, effective in accordance with its terms on March 15, 1846; having become subject to the laws of the Commonwealth generally applicable to corporations of the same category according to the import of subsection seventeenth of section 59 of the present constitution of the Commonwealth; and having duly filed in the office of the secretary of state its acceptance of the present constitution of the Commonwealth in accordance with section 190 thereof; may qualify to receive the benefits of its status as a state institution, as provided in KRS 164.810 to 164.870, by action of its board of trustees in adopting and causing to be filed for public record such proceedings as are required by law, amending its charter or articles of incorporation in such manner as to conform to the provisions of KRS 164.810 to 164.870.

Section 127. KRS 171.130 is amended to read as follows:

The department of *library and archives* [libraries] is established. The department shall be headed by a state librarian who shall be appointed by and serve at the pleasure of the governor, and who shall have had technical training in the field of library science.

Section 128. KRS 171.311 is amended to read as follows:

The Kentucky Historical Society created by Acts 1880, ch. 244, shall have all the powers and liabilities of a corporation and there is hereby granted to the society the following charter:

I

The Kentucky Historical Society shall collect, maintain and preserve authentic records, information, facts and relics connected with the history of the Commonwealth and the genealogy of her peoples; and promote a wider appreciation of the American heritage, with particular emphasis on the advancement and dissemination of knowledge of the history of Kentucky. The society may receive and hold by donation or devise, real or personal property to any extent and may, by gift, loan, purchase or otherwise hold books, papers, documents, historical memorials, and any other articles suited to promote the objects of the society in the Old State Capitol Building but all such property shall be held in trust for the Commonwealth of Kentucky according to the terms of acceptance.

II

All American citizens, partnerships, corporations or associations who shall evidence their dedication to the promotion of the objects and purposes of the society may become active members thereof upon their approval under regulations prescribed by the executive committee, and the payment of annual dues in a sum determined by the executive committee. Any person possessing the qualifications for membership may become a life member on the payment of a sum determined by the executive committee. The executive committee may determine classes of memberships and establish respective rates of dues. Every member in good standing, including the authorized representative of an institutional member, shall have the right to vote in person or by proxy, hold office, and otherwise take part in the proceedings of the society. Membership may be terminated by resignation or nonpayment of dues.

III

The officers of the society shall be a chancellor, who shall be the Governor of the Commonwealth of Kentucky, a president, first, second and third vice-presidents, who shall be ex-officio members of the executive committee. All officers, except the chancellor, shall be elected for a term of one year at the annual meeting of the society in a manner provided by law, and the president shall be ineligible to succeed himself if he has been elected for two (2) successive terms.

IV

There is hereby created an executive committee which shall consist of sixteen members, the officers of the society and one person designated annually by the state archives and records commission. The sixteen (16) members of the executive committee shall be divided into four (4) equal classes, so arranged that the terms of one class shall expire at each annual meeting of the society. The class whose term expires shall be ineligible to succeed itself.

V

The executive committee shall execute all the powers and duties conferred on the society, except those expressly delegated to the officers. It shall adopt bylaws at any regular or special meeting. It shall supervise and direct the financial concerns of the society, approve an annual budget and provide for and fix the salaries of employes, subject to the approval of the department of personnel. It shall provide for reimbursement of travel expenses of employes and may provide for reimbursement of expenses of officers and members of the executive committee incurred in performing specific duties assigned to them. It shall appoint a director, who shall be the management officer of the society under the direction of the president and policies established by the executive committee, and an assistant director, who shall assume the duties of the director in his absence and perform such other duties as may be assigned to him by the director. It shall establish and prescribe the duties of such other positions as are necessary to operate the society, and all persons engaged to fill such positions shall be employed by the director, subject to the approval of the executive committee, which approval shall constitute exemption from KRS *18.110 to 18.370* [18.130], and their work shall be under the director's supervision.

The committee shall provide for the publication or preservation of historical documents and manuscripts; publish an edition to be known as the "Register"; provide by contract, subject to the approval of the executive department for finance and administration, for all the printing, publication and distribution of reports, books and other publications calculated to promote and advance the historical interest of Kentucky and augment the society's various collections at all times. It shall supervise and direct the ordinary affairs of the society; appoint a nominating committee; and determine other necessary committees of which the president and the director of the society shall be ex-officio members. The committee shall cooperate with, provide assistance to and coordinate its functions with those of the state archives and records commission. It may designate honorary members of the society and it shall have the power to fill any vacancies until the next annual meeting, including those occurring within its own membership.

VI

The executive committee shall hold regular meetings in January, April, July and October. Matters to be determined and discussed at such meetings shall be furnished the director at least ten (10) days prior to such meetings in order that he may prepare and distribute an agenda to each member of the committee at least three (3) days before the meeting. Special meetings shall be held at the request of the president or any three (3) members of the committee, in which case the director shall give written notice together with the agenda of such meeting at least ten (10) days in advance. In an emergency, nine (9) members of the committee may waive the provision of notice.

VII

The regular annual meeting of the society shall be held in the Old State Capitol Building on the first Friday after the first Monday in November. The meeting shall be open to all members. Special meetings may be called in Frankfort or elsewhere by the president or a majority of the executive committee or by the director upon the written request of twenty (20) members of the society. Members shall have fifteen (15) days written notice of the time, place and object of the meeting.

VIII

Twenty-five (25) members shall constitute a quorum for the transaction of all business at any meeting of the society, and one-third of the membership of the executive committee shall constitute a quorum at their respective meetings.

IX

The Chancellor of the Society, at his discretion, may preside at any meeting of the society or the executive committee, or he may participate otherwise in any meetings.

X

The president of the society shall be the chief executive officer of the society and shall preside over meetings of the society or the executive committee in the absence of the chancellor or at his request. He shall recommend the appointment of all necessary or desirable committees and he shall name persons to comprise such committees, except the nominating committee.

XI

The vice-presidents of the society shall preside in the absence of their successive superiors in office at all meetings of the society and the executive committee. They shall attend all regular and special meetings of the society and the executive committee and endeavor to familiarize themselves with the conduct and operations of the affairs of the society. They shall aid and assist the president in the performance of his duties, counsel and advise the executive committee and endeavor at all times to advance and promote the public interest in the history of Kentucky and her people.

XII

Nominations to membership on the executive committee and to the offices of president, first vice-president, second vice-president and third vice-president shall be made by a nominating committee or by any member present at the regular annual meeting. The nominating committee shall consist of five (5) members, shall be appointed at the first regular meeting of the executive committee after the annual meeting of the society and shall consider candidates to fill vacancies in the executive committee and offices which will occur at the subsequent annual meeting. The nominating committee shall meet in the office of the society forty-five (45) days prior to the annual meeting and nominate candidates to fill vacancies on the executive committee and at least one (1) candidate for the office of president, first vice-president, second vice-president, and third vice-president, and file same with the president. Upon the call for the election of officers the president shall promptly report the nomination by the nominating committee together with all other nominations. When more than the required number of candidates have been nominated for membership on the executive committee or more than one (1) candidate for the offices to be filled, the president shall call for an election by the vote of those present, together with the number of votes cast by proxy, and a plurality of all votes cast shall be sufficient to elect. Where no vote count is required the president shall cast one (1) vote for each candidate and he or she shall be declared elected.

XIII

This charter may be amended by a two-thirds vote of the members present and voting at any regular meeting or at any special meeting of the society called for the purpose, provided that written notice containing the substance of the proposed amendments shall have been mailed to members not less than thirty (30) days in advance of such meeting and the same approved as an amendment by the first General Assembly, meeting after the action of the society.

Section 129. KRS 224.855 is amended to read as follows:

(1) No permit shall be issued until a complete application has been submitted to the department and the applicant has published that he has made application for a waste disposal site or facility in a manner reasonably calculated to inform that portion of the public which is most likely to be affected by the operation of the proposed waste disposal site or facility.

(2) At a minimum, publication shall be made at least once by advertisement in a daily or weekly newspaper of general circulation in the locality where the proposed site is to be located.

(3) The contents of the public notice of an application for a waste disposal site or facility shall include the following:

(a) The name and address of the applicant;

(b) A brief description of the activity for which a permit is being sought;

(c) A description of the proposed location;

(d) The name and address of this department; and

(e) The following statement: "Any person who may be aggrieved by the issuance of a permit for this proposed waste disposal site or facility may file with the department a petition which sets forth the grounds of the objection and demand a hearing pursuant to KRS 224.081(2)." Such hearing shall be held within the county where the solid waste disposal site or facility is proposed.

(4) No permit shall *be issued* [issue] until at least thirty (30) days have expired following publication of the application. The applicant for a permit must establish the date of publication by a verified affidavit from the newspaper which publishes the advertisement. If a hearing is requested, no permit shall be issued prior to a completed hearing.

(5) No permit shall be issued by the department for a hazardous waste disposal site for long-lived wastes that may require long term or perpetual care and maintenance except with the consent and approval of a majority of the members of the Kentucky house of representatives, a majority of the members of the Kentucky senate and the approval of the governor of Kentucky.

(6) Before an application to locate such a hazardous waste disposal site in Kentucky can be submitted for approval to the Kentucky general assembly, it must first receive the approval of the secretary of the department for natural resources and environmental protection. It shall be the responsibility of the department for natural resources and environmental protection to ensure that a comprehensive environmental impact statement is submitted and that public hearings are held in the county in which it is proposed to locate such a hazardous waste disposal site.

Section 130. KRS 173.480 is amended to read as follows:

Upon the creation of a district, the fiscal court of each county in the district shall at once notify the department of *library and archives* [libraries] of the establishment of the district. The department of *library and archives* [libraries] shall then recommend to the county judge/executive of each county in the district the names of suitable persons from that county to be appointed to the board. The department of *library and archives* [libraries] in recommending persons to the county judge/executive for appointment to the board shall recommend twice as many persons for each county as the county is entitled to have members appointed, and the county judge/executive shall immediately make his selection from those recommended. Where the district consists of one (1) county, the county judge/executive shall appoint five (5) persons from that county as members. The department of *library and archives* [libraries] shall prescribe by regulation the number of board members when the district consists of more than one (1) county, provided that the board shall consist of not less than one (1) nor more than four (4) members from each county, each county having such number of members as the proportion of its population bears to the total population in the district, *and that total membership of the board consist of not* [consists of more than one (1) county, provided that the board] less than five (5) members. Where a county joins an already established district, the department of *library and archives* [libraries] shall recommend to the county judge/executive of each county included in the new district twice as many persons for appointment to the board as the county is entitled to have appointed, and the county judge/executive shall select the members for his county from this list. The terms of the members of the counties composing the previously existing district shall expire immediately upon the organization of the new board.

Section 131. KRS 175.580 is amended to read as follows:

(1) Except as otherwise provided in the agreement or lease relating thereto, each turnpike project when constructed and opened to traffic shall be maintained and kept in good condition and repair by the department under the terms and provisions of the agreement or lease, and shall be operated and maintained by such force

of tolltakers, and other operating and maintenance employes, as the department may in its discretion employ, and the department shall not be reimbursed for the cost thereof unless expressly otherwise provided in the agreement or lease.

(2) All private property damaged or destroyed in carrying out the powers granted by this chapter shall be restored or repaired and placed in its original condition as nearly as practicable or adequate compensation made therefor out of funds provided under the authority of this chapter.

(3) All counties, cities, towns and other political subdivisions and all public agencies and commissions of the Commonwealth, notwithstanding any contrary provision of law, may lease, lend, grant or convey to the authority at its request, upon such terms and conditions as the proper authorities of the counties, cities, towns, political subdivisions, agencies or commissions of the Commonwealth deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality, other than the regular and formal action of the authorities concerned, any real property which is necessary or convenient to the effectuation of the authorized purposes of the authority, including public roads and other real property already devoted to public use.

(4) On or before January 30 in each year the authority shall make an annual report of its activities for the preceding year to the governor and to the general assembly. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or operation of the project. Such audits are public records within meaning of KRS *61.870(2)* [171.650].

(5) No officer or employe of the authority or of the department shall have any interest, direct or indirect, in the sale or purchase of any bonds authorized by this chapter. Violation of this provision shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than one (1) year, or both.

Section 132. KRS 177.320 is amended to read as follows:

(1) Two-ninths of all funds arising from the imposition of taxes provided by KRS 138.220, 138.565, 138.660 and 234.320 shall be set aside for the construction, reconstruction and maintenance of secondary and rural roads and for no other purpose, and shall be expended for said purposes by the department of transportation of the Commonwealth of Kentucky according to the terms and conditions prescribed in KRS 177.330 to *177.368* [177.380].

(2) On or after July 1, 1976, nine-tenths of one-ninth of all funds arising from the imposition of taxes provided by KRS 138.220, 138.565, 138.660 and 234.320 shall be set aside for the construction, reconstruction and maintenance of county roads and bridges provided by KRS 179.410 through 179.430.

Section 133. KRS 177.530 is amended to read as follows:

(1) Each turnpike project when constructed and opened to traffic shall be maintained and kept in good condition and repair by the department, and shall be operated and maintained by such force of toll-takers and other operating and maintenance employes and, unless policed by the Kentucky state police as an ordinary incident to the performance of statutory functions, shall be policed by the department by such force of police, as the department may in its discretion employ, and the department may be reimbursed for the cost thereof unless it has previously assumed such cost as provided in KRS 177.480.

(2) All private property damaged or destroyed in carrying out the powers granted by KRS 177.390 to 177.570 shall be restored or repaired and placed in its original condition as nearly as practicable or adequate compensation made therefor out of funds provided under the authority of KRS 177.390 to 177.570.

(3) All counties, cities, towns and other political subdivisions and all public agencies and commissions of the Commonwealth, notwithstanding any contrary provision of law, are hereby authorized and empowered to lease, lend, grant or convey to the department at its request upon such terms and conditions as the proper authorities of such counties, cities, towns, political subdivisions, agencies or commissions of the Commonwealth may deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality, other than the regular and formal action of the authorities concerned, any real property which may be necessary or convenient to the effectuation of the authorized purposes of the department, including public roads and other real property already devoted to public use.

(4) On or before January 30 in each year the department shall make an annual report of its activities for the preceding calendar year to the governor and to the general assembly. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The department shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or operation of the project. Such audits shall be deemed to be public records within the meaning of KRS *61.870(2)* [171.650].

(5) No officer or employe of the department shall have any interest, direct or indirect, in the sale or purchase of any bonds authorized by KRS 177.390 to 177.570. Violation of this provision is punishable by a fine of not more than one thousand dollars ($1000) or by imprisonment for not more than one (1) year, or both.

(6) Any person who uses any turnpike project and fails or refuses to pay the toll provided therefor shall be punished by a fine of not more than one hundred dollars ($100) or by imprisonment for not more than thirty (30) days, or both, and in addition thereto the department shall have a lien upon the vehicle driven by such person for the amount of such toll and may take and retain possession thereof until the amount of such toll and all charges and penalties in connection therewith shall have been paid.

Section 134. KRS 177.700 is amended to read as follows:

(1) The state property and buildings commission (hereinafter sometimes referred to as the "commission") is enjoined to continue its best efforts to sell and issue the heretofore unissued thirty million dollars ($30,000,000) of the Commonwealth's general obligation bonds, as provided in KRS 177.580 to 177.630, which was approved by the voters at the election held on November 6, 1956 (such bonds, for convenience, being sometimes hereinafter referred to as the "unissued 1956 bonds"; and the aforesaid issue of which the same constitute a part being sometimes hereinafter referred to as the "1956 bonds"). In doing so, the commission shall in all respects observe the restrictive conditions presently applicable to said unissued 1956 bonds, in that any sale or sales shall be for not less than par or face amount with accrued interest to delivery, and at a rate or rates of interest not exceeding, as to any bond, three percent (3%) per annum, payable semiannually, and all of such bonds shall be caused to mature as to principal within thirty (30) years from January 1, 1957.

(2) Unless said unissued 1956 bonds are successfully sold by the commission on or prior to August 31, 1960, a proposal as set forth in KRS 177.700 to 177.820 shall be submitted to the qualified voters of the Commonwealth at the regular election scheduled by law to be held on November 8, 1960, seeking the voters' authorization and approval of removing, as to said unissued 1956 bonds, the three percent (3%) interest rate limitation presently applicable thereto. Inasmuch as said unissued 1956 bonds have been taken into account in determining the amount of money otherwise necessary to be provided through issuance of additional bonds as hereinafter set forth, such proposal that the voters remove said existing interest rate limitation as to the unissued 1956 bonds shall appear on the ballots at the election to be held on November 8, 1960, as a part of the ballot question submitting for authorization and approval KRS 177.700 to 177.820 as a whole and the proposed issuance of an additional one hundred million dollars ($100,000,000) of general obligation bonds of the Commonwealth for state parks, and for highways, bridges and tunnels, as hereinafter provided. In such event the form of the question which shall be caused to appear upon the ballots at the election on November 8, 1960, shall be as set forth in KRS 177.740.

(3) In the event the said unissued 1956 bonds are successfully sold by the commission on or prior to August 31, 1960, according to the presently existing interest rate limitation, the commission shall, not later than September 1, 1960, so notify the secretary of state of the Commonwealth; and inasmuch as there will then no longer be any occasion to seek authorization of the voters for removal of said interest rate limitation, the question to appear upon the ballots submitting KRS 177.700 to 177.820 for authorization and approval of the voters at the election on November 8, 1960, shall be as provided in KRS 177.750.

(4) Based upon representations made by the commission as set forth in this section the secretary of state shall, after September 1, 1960, determine whether the form of question to be used in submitting KRS 177.700 to 177.820 to the voters for authorization and approval at the election on November 8, 1960, shall be as set forth in KRS 177.740, or as set forth in KRS 177.750, and shall certify the applicable form of ballot question to the respective county clerks at the same time that candidates for public office are provided to be certified pursuant to KRS 118.225; and when each county clerk causes the ballots to be printed according to KRS 117.145 the form of question so certified by the secretary of state shall be caused to appear thereon with appropriate spaces for the voters to designate "Yes" or "No" [as provided in KRS 118.170 (3)].

Section 135. KRS 178.170 is amended to read as follows:

(1) The fiscal court, after an election as provided in subsection (2), may issue and sell bonds for the purpose of constructing or reconstructing public roads and bridges. The bonds shall bear interest not to exceed five percent (5%) per annum, with coupons attached, payable semiannually, and shall be in denominations of not less than one hundred dollars ($100) nor more than one thousand dollars ($1000). The bonds shall mature within forty (40) years, and may be redeemed within that time at the pleasure of the court, and shall be sold at not less than par value and accrued interest.

(2) Upon the petition of one hundred and fifty (150) legal voters who are freeholders of the county, the *county judge/executive* [county court] shall make an order on *his* [its] order book directing an election to be held in the county on some day named in the petition, but not earlier than sixty (60) days after the application is received by the judge. The order shall direct the sheriff to advertise the election and its object by publication pursuant to KRS chapter 424 and also by printed handbills posted at not less than four (4) public places in each voting precinct in the county and at the courthouse door. The election shall be held under the general election laws. The question shall be: "Are you in favor of issuing .... in bonds for the purpose of building roads and bridges?"

(3) All the money raised by the sale of bonds under this section shall be used solely for the construction of hard surface roads.

Section 136. KRS 178.330 is amended to read as follows:

(1) It is hereby declared that in counties containing a city of the first class a system of county through roads over which traffic can be routed or which can serve as major connecting links to state highways is a necessary and integral part of a unified system of highways, roads and streets needed for the movement of traffic in such a metropolitan area and that the construction, reconstruction, widening, relocation, repair. maintenance and improvement of such a system of county through roads is a proper and legitimate public function as an alternative to other authorizations or requirements.

(2) The fiscal court of a county containing a city of the first class, acting upon the basis of an engineering and traffic investigation by the county road engineer, may designate for purposes of construction. reconstruction, widening, relocation, repair, maintenance and improvement from among the public roads within the county certain roads proposed to constitute the "county through road system." County through roads may include (a) main traveled roads, (b) roads in unincorporated areas necessary for the circulation of traffic within the county, (c) streets and roads through, within, or adjacent to cities of any class necessary for the circulation of traffic within the county, or (d) major roads connecting two (2) primary roads maintained by the state. County through roads shall not include roads on the state highway system.

(3) As soon as the proposed county through roads are designated as provided in subsection (2) of this section, the fiscal court shall cause such county through roads to be marked on a map to be deposited with the county road engineer and to be open to public inspection. Upon the filing of the map, the clerk of the fiscal court shall, in conformance with KRS 424.130 (1) (b), have published in a newspaper of bona fide general circulation within the county (a) a notice of the proposed adoption of a county through road system, (b) a description of roads or portions thereof proposed to be included, (c) notice of the date upon which the fiscal court will consider the adoption of the county through road system, and (d) notice that the map of the proposed county through road system is open to inspection in the office of the county road engineer.

(4) At any time before the adoption of the county through road system, any freeholder of the county may file a petition with the county road engineer asking for any change in the designated county through roads, setting forth the reason for the proposed change. Such petition shall be accompanied by a plat showing such proposed change. Any such petition shall be considered by the fiscal court at its meeting held on the date advertised in accordance with subsection (3) of this section. The fiscal court may accept or reject any such suggested changes in the proposed county through road system. The fiscal court may continue the consideration to a later meeting which must be advertised as provided in subsection (3) of this section. The roads which the fiscal court so designated by official resolution shall be conclusively established as the county through road system.

(5) Classifications or designations of a county through road system established by this section shall not affect or change classifications or designations made by other sections of the Kentucky Revised Statutes such as "county roads," "main county roads," "rural and secondary roads," "turnpikes," "city streets" or similar terms; except that when there is an irreconcilable conflict arising from the actual application of this section in a given instance and a designation or classification made in other sections of the Kentucky Revised Statutes, this section shall prevail. Nothing in KRS 178.020 to 178.040, 178.117, 178.330 to 178.337, 179.070 and 179.330 shall preclude the expenditure on the county through road system, including portions within cities, of state funds allocated for public highways under the provisions of KRS 179.410 to 179.430, or KRS 177.320 to *177.368* [177.380], or any other section of the Kentucky Revised Statutes in accordance with the provisions of KRS 177.330, KRS 177.340, or KRS 179.420.

(6) The provisions of KRS 178.050 to 178.100 shall not apply to a county through road system established under KRS 178.330 to 178.337.

Section 137. KRS 183.134 is amended to read as follows:

(1) In order to provide money for the purchase of property necessary for the establishment or expansion of airports and to construct, equip and maintain buildings necessary, desirable or appropriate for airport purposes, or to acquire rights or interests therein or contracts for services therefrom, the legislative body of any governmental unit owning in whole or part any airport or operating an airport, or having any rights or interests therein or contracts for services therefrom, may make an annual appropriation from its general fund; or such governmental unit may make an annual levy to collect a tax on taxable property situated in the governmental unit for such airport development. Any appropriation shall be made by the legislative body in such amounts, in such proportion and upon such terms as the legislative body may determine. All funds derived from such appropriation or tax shall be turned over to the airport board, if any, for the purpose of carrying out the duties and powers of the board.

(2) Whenever a governmental unit deems it necessary to acquire, construct, maintain, expand, finance, or improve any airport facilities or air navigation facilities or rights or interests therein, or to contract for services therefrom, or for any or all of these purposes, and the annual funds raised from other sources are not sufficient to accomplish the purpose, the governmental unit shall make a careful estimate of the amount of money required for the purpose and shall certify to the proper tax levying authority the fact that

an election for an issue of bonds for such aviation purposes shall be held together with the amount of money for which bonds shall be issued and the purpose to which the proceeds shall be applied. The taxing authority shall then adopt an ordinance or resolution submitting to the qualified voters of the district the question as to whether bonds shall be issued for the purpose. The question shall be so framed that the voter may by his vote answer "For" or "Against."

(3) The ordinance or resolution shall fix the time the bonds shall run and, if a serial issue, the amount to mature at each time. It shall limit the rate of interest to be permitted on the bonds, which shall not exceed seven per cent (7%), and the total amount of bonds to be issued, and shall provide for the levy of a tax to pay the interest and to create a sinking fund to retire them at their maturity.

(4) The election shall be held at a time fixed in the ordinance or resolution, not less than fifteen (15) nor more than thirty (30) days from the time the certificate of the governmental unit is filed with the tax levying authority, and reasonable notice of the election shall be given. The election shall be conducted and carried out in the governmental unit district in all respects as required by the general election laws, and shall be held by the same officers as required by the general election laws. The expense of the election shall be borne by the fiscal court except where the election is held in a district embracing a city of the first five (5) classes, in which case the cost of the election shall be borne by the governing body of the city.

(5) Notwithstanding the limitations contained in KRS 132.023, any governmental unit which after March 21, 1968, levies a tax for aviation purposes under KRS 183 may exclude such tax from consideration in calculating the compensating tax rate as now or subsequently defined in KRS *132.010* [132.011] or any amendments thereto or other act substituted therefor.

Section 138. KRS 183.475 is amended to read as follows:

All counties in this state located on the boundary line between this state and any other state, or which are contiguous to such counties, as well as all governmental units which are located in such boundary counties, or contiguous counties, are hereby authorized, separately, jointly with each other or jointly with any other municipality or political subdivision of any such boundary state to acquire, equip, construct, expand, lease, improve, police and operate airports within this state or either within or without the geographical limits of any county, municipality or political subdivision of any such boundary state; and for those purposes to exercise any other powers or functions and be subject to any provisions provided by KRS chapter 183 as to aviation, without regard to any express or implied limitations thereof to or within this state, including but not limited to those provided by KRS 183.010 through 183.012, "Definitions," KRS 183.132 through 183.138, "Local Air Boards," KRS 183.475 through *183.490* [183.500], "Acquisition of Airport Facilities," KRS 183.630 through 183.740, "Bonds," KRS 183.762 through 183.772, "Airport Development," and any amendments or supplements thereto which may be provided therein subsequent to this amendment.

SECTION 139. KRS 183.820 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 39.

(1) There shall be a unit of civil air patrol in the department of military affairs. The unit shall consist of the Kentucky wing of the civil air patrol and such other units and personnel as are added by administrative order.

(2) The commanding officer of the Kentucky wing of the civil air patrol shall be ex officio the head of the unit.

SECTION 140. KRS 183.830 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 39.

The division shall perform emergency disaster work within the Commonwealth in all instances in which aeronautical equipment and maneuvers might be of assistance in relieving the disaster, and shall engage in all manner of air search and rescue for which the civil air patrol is fitted. The director may establish facilities for aeronautical education and training.

SECTION 141. KRS 183.840 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 39.

The adjutant general shall coordinate the activities of the unit with the federal government and any of its agencies in all matters relating to aeronautical training and education, communications, rescue work, mercy missions, aerial observation, establishment of navigational aids, and other functions within the scope of activity of the civil air patrol.

SECTION 142. KRS 183.850 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 39.

No portion of moneys appropriated for the unit of the civil air patrol shall be expended without the approval of the adjutant general nor shall they be expended for the payment of compensation to members of the civil air patrol or the purchase of uniforms for any member of the civil air patrol.

Section 143. KRS 187.610 is amended to read as follows:

KRS 187.290 to 187.620 shall not apply with respect to any motor vehicle owned by the United States, this state or any political subdivision of this state or any municipality therein; nor[, except for KRS 187.320 and 187.540,] with respect to any motor vehicle which is subject to the requirements of KRS chapter 281.

Section 144. KRS 189.330 is amended to read as follows:

(1) When two (2) vehicles approach or enter an intersection from different roadways at approximately the same time, the operator of the vehicle on the left shall yield the right of way to the vehicle on the right.

(2) The right of way rule declared in subsection (1) is modified at highways and through intersections and as otherwise stated in this chapter.

(3) Preferential right of way may be indicated by stop signs or yield signs. The state highway commissioner with reference to state highways and local authorities with reference to other highways under their jurisdiction may designate any intersection as a stop intersection or as a yield intersection and erect stop signs or yield signs at one (1) or more entrances to such intersections.

(4) Except when directed to proceed by a police officer, every operator of a vehicle approaching a stop sign shall stop at a clearly marked stop line, but if none, before entering the crosswalk on the near side of the intersection, or, if none, then at the point nearest the intersecting roadway where the operator has view of approaching traffic on the intersecting roadway before entering it. After having stopped the operator shall yield the right of way to any vehicle in the intersection or approaching on another roadway so closely as to constitute an immediate hazard during the time when such operator is moving across or within the intersection or junction of roadways.

(5) The operator of a vehicle approaching a yield sign shall in obedience to such sign slow down to a speed reasonable for the existing conditions and, if required for safety to stop, shall stop at a clearly marked stop line, but if none, before entering the crosswalk on the near side of the intersection, or, if none, then at the point nearest the intersecting roadway where the operator has a view of approaching traffic on the intersecting roadway before entering it. After slowing and stopping, the operator shall yield the right of way to any vehicle in the intersection or approaching on another roadway so closely as to constitute an immediate hazard during the time such operator is moving across or within the intersection or junction of roadways. Provided, however, that if such an operator is involved in a collision with a vehicle in the intersection or junction of roadways after driving past a yield sign without stopping, such collision shall be deemed prima facie evidence of his failure to yield right of way.

(6) The operator of a vehicle intending to turn shall do so as follows:

(a) Right turns - both the approach for a right turn and a right turn shall be made as close as practicable to the right-hand curb or edge of the roadway;

(b) Left turns - the operator of a vehicle intending to turn left shall approach the turn in the extreme left-hand lane lawfully available to traffic moving in the direction of travel of such vehicle. Whenever practicable the left turn shall be made to the left of the center of the intersection and so as to leave the intersection or other location in the extreme *right-hand* [left-hand] lane lawfully available to traffic moving in the same direction as such vehicle on the roadway being entered.

(7) The department of transportation and local authorities in their respective jurisdictions may cause official traffic control devices to be placed and thereby require and direct that a different course from that specified in this section be traveled by turning vehicles and when such devices are so placed no operator shall turn a vehicle other than as directed and required by such devices.

(8) The operator of any vehicle shall not turn such vehicle so as to proceed in the opposite direction unless such movement can be made in safety without interfering with other traffic.

(9) The operator of a vehicle intending to turn to the left within an intersection or into an alley, private road or driveway shall yield the right of way to any vehicle approaching from the opposite direction which is within the intersection or so close thereto as to constitute an immediate hazard.

(10) The operator of a vehicle about to enter or cross a roadway from any place other than another roadway shall yield the right of way to all vehicles approaching on the roadway to be entered or crossed.

Section 145. KRS 196.245 is amended to read as follows:

[Notwithstanding the provisions of KRS 438.020 to 438.040,] The commissioner is authorized to permit or prohibit the practice of smoking by the inmates of the penal institutions, regardless of the age of the inmates, whenever he believes such regulation will enhance or improve the discipline of the inmates of these institutions.

Section 146. KRS 196.990 is amended to read as follows:

(1) Any officer who violates subsection (1) of KRS 196.230 shall be fined not less than two hundred and fifty dollars ($250) nor more than one thousand dollars ($1,000). Action shall be brought in the county in which the institution is located.

(2) Any officer or employe who violates subsection (3) of KRS 196.230 shall ipso facto forfeit his office or position, and the office or position shall be declared vacant.

(3) Any person who wilfully violates any of the provisions of KRS 196.240 shall be fined not less than twenty-five ($25.00) nor more than one hundred dollars ($100).

[(4) Any person who violates KRS 196.250 shall be fined not less than fifty ($50.00) nor more than two hundred dollars ($200).

(5) Any person who violates subsection (2) of KRS 196.260 shall be fined five hundred dollars ($500).]

Section 147. KRS 197.050 is amended to read as follows:

The superintendent of the penitentiary shall cause each prisoner, when received into the penitentiary, to be informed of the contents of KRS *520.020 to 520.040* [432.390].

Section 148. KRS 199.011 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Secretary" means the secretary for human resources.

(2) "Department" means the department for human resources.

(3) "Bureau" means the bureau for social services.

(4) "Child" means any person who has not reached his eighteenth birthday.

(5) "Dependent child" means any child who is under improper care, control, or guardianship that is not due to the negligence of the parent or guardian, provided that the child is not an abused or neglected child.

(6) "Abused or neglected child" means a child whose health or welfare is harmed or threatened with harm when his parent, guardian or other person who has the permanent or temporary care, custody or responsibility for the supervision of the child: inflicts or allows to be inflicted upon the child, physical or mental injury to the child by other than accidental means; creates or allows to be created a risk of physical or mental injury to the child by other than accidental means; commits or allows to be committed an act of sexual abuse upon the child; willfully abandons or exploits such child; does not provide the child with adequate care and supervision; food, clothing and shelter; education; or medical care necessary for the child's well-being; provided, however, that a parent or guardian legitimately practicing his religious beliefs who thereby does not provide specified medical treatment for a child, for that reason alone shall not be considered a negligent parent or guardian. This exception, however, shall not preclude a court from ordering that medical services be provided to the child, where his health requires it.

(7) "Child-caring facility" means any institution or group home other than a state facility, or one certified by an appropriate agency as operated primarily for educational or medical purposes providing residential care on a twenty-four hour basis to children, not related by blood, adoption or marriage to the person maintaining the facility.

(8) "Child-placing agency" means any agency other than a state agency which supervises the placement of children in foster family homes or child-caring facilities, or which places children for adoption.

(9) "Child welfare worker" means an employe of the department designated as such by the secretary for human resources or social worker employed by a county or city who has been approved by the department to handle, under its supervision, services to children.

(10) "Boarding home or foster parent" as used in subsection (5) of KRS *199.603* [199.607] means persons who board children held in custody by the department.

(11) "Foster family home" means a private home in which children are placed for foster family care under supervision of the department or of a licensed child-placing agency.

(12) "Group home" means a homelike facility for not more than eight (8) foster children, not adjacent to or part of an institutional campus, operated by a sponsoring agency for children who may participate in community activities and use community resources.

(13) "Institution" means a child-caring facility providing care or maintenance for nine (9) or more children.

(14) "Family" rehabilitation home" means a child-caring facility for appropriate families and comprising not more than twelve (12) children and two (2) staff persons.

Section 149. KRS 313.360 is amended to read as follows:

(1) The Kentucky state board of dentistry may maintain an action in equity to enjoin the practice of or attempt to practice dentistry without a license in violation of KRS 313.020.

(2) In case of a violation of any injunction granted under this section, the court may summarily try and punish the offender[; and the court's discretion concerning the degree of punishment shall not be subject to the provisions of KRS 432.260]. The proceedings shall be commenced by filing with the clerk of the court an affidavit, setting out the alleged facts constituting the violation, upon which the court shall cause an order of arrest to issue. The trial may be had upon affidavit, but either party may at any stage of the proceedings demand the production and oral examination of the witnesses.

Section 150. KRS 199.335 is amended to read as follows:

(1) The purpose of this section, KRS 530.060, 530.070, subsections (4) and (5) of KRS 208.020 and subsections (4) and (5) of KRS 208.990 is to provide for the identifying of any abused or neglected child; to require reports of any suspected abused or neglected child; to assure that the protective services of the state will be made available to an abused or neglected child in order to protect such a child and his siblings; to further prevent abuse or neglect; to preserve and strengthen family life, where possible, by enhancing parental capacity for adequate child care; and to provide for immediate and prompt investigation of such reports.

(2) Any physician, osteopathic physician, nurse, teacher, school personnel, social worker, coroner, medical examiner, child caring personnel, resident, intern, chiropractor, dentist, optometrist, health professional, peace officer, mental health professional or other person who knows or has reasonable cause to believe that a child is an abused or neglected child, shall report or cause a report to be made in accordance with the provisions of this section. When any of the above specified persons is attending a child as part of his professional duties, he shall report or cause a report to be made in accordance with the provisions of this section. Nothing in this section is intended to relieve individuals, agencies or organizations of their obligation to report.

(3) A report shall be made immediately by telephone or otherwise to the bureau or its delegated representative. If the person making the report has reason to believe that immediate protection for the child is advisable, that person shall also make an oral report to an appropriate law enforcement agency. If the report is made to any agency other than the bureau, such agency shall promptly refer the report to the bureau. The report shall be followed by a written report within forty-eight (48) hours if so requested by the bureau. The bureau or its delegated representative shall upon the receipt of the initial report immediately send a report of suspected physical or sexual abuse to the appropriate law enforcement agency for any appropriate action. Such report shall contain the names and addresses of the child and his parents or other persons responsible for his care, if known, the child's age, the nature and extent of the child's abuse or neglect (including any evidence of previous abuse or neglect) to this child or his siblings; the name and address of the person responsible for the abuse or neglect; and any other information that the person making the report believes may be helpful in the furtherance of the purpose of this section. The bureau may request and shall receive from any agency of the state or any other agency, institution or facility providing services to the child or his family, such cooperation, assistance and information as will enable the bureau to fulfill its responsibilities under this section.

(4) A search warrant shall be issued upon a showing of probable cause that a child is being abused or neglected. If, pursuant to a search under a warrant a child is discovered and appears to be in imminent danger, the child may be removed by the local law enforcement officer. In the event a child who is in a hospital or under the immediate care of a physician appears to be in such certain danger of injury or death if he is returned to the persons having custody of him, the physician or hospital administrator may hold a child in the physician's office or the hospital without court order provided that an attempt is made to obtain such court order at the earliest practicable time not to exceed seventy-two (72) hours. Any appropriate law enforcement officer may take a child into protective custody and may hold that child in protective custody without the consent of the parent or other person responsible for such child, if the officer has reasonable cause to believe that there exists an imminent danger to the child's life or health.

(5) In a proceeding before the juvenile *session of district* court to have a child removed from his home and placed in the custody of the bureau or the court, substantial evidence that the child is an abused or neglected child shall make a prima facie case for removal of the child even though it is not proved conclusively who has perpetrated the abuse or who has caused the neglect.

(6) Anyone acting upon reasonable cause in the making of a report pursuant to this section, KRS 530.060, 530.070, subsections (4) and (5) of KRS 208.020 and subsections (4) and (5) of KRS 208.990 shall have immunity from any liability, civil or criminal, that might otherwise be incurred or imposed. Any such participant shall have the same immunity with respect to participation in any such judicial proceeding resulting from such report.

(7) Neither the husband-wife nor any professional-client/patient privilege, except the attorney-client privilege, shall be a ground for refusing to report under this section or for excluding evidence regarding an abused or neglected child or the cause thereof, in any judicial proceedings resulting from a report pursuant to this section.

(8) Upon receipt of a report of an abused or neglected child pursuant to this section, the bureau as the designated agency or its delegated representative shall initiate a prompt investigation, take necessary action and shall offer protective services toward safeguarding the welfare of the child, preventing further abuse or neglect of the child or any other child under the same care, preserve and strengthen family life, where possible, by enhancing parental capacity for adequate child care.

(9) All information obtained by the bureau staff or its delegated representative, as a result of investigation made pursuant to this section shall not be divulged to any one except: (a) persons suspected of neglect or abuse, provided that in such cases names of informants may be withheld, unless ordered by the court; (b) persons within the bureau with a legitimate interest or responsibility related to the case; (c) other medical, psychological, or social service agencies, or law enforcement agencies that have a legitimate interest in the case; (d) cases where a court orders release of such information.

(10) As a result of any report of suspected child abuse or neglect as defined in KRS 199.011(6) photographs and x-rays or other appropriate medical diagnostic procedures may be taken or caused to be taken, without the consent of the parent or other person responsible for the child, as a part of the medical evaluation or investigation of such reports. Such photographs and x-rays or results of other medical diagnostic

procedures may be introduced into evidence in any subsequent judicial proceedings. The person taking such photographs or x-rays shall be immune from criminal or civil liability.

Section 151. KRS 199.375 is amended to read as follows:

(1) As used in this section, unless the context otherwise requires:

(a) "Department" means the department for human resources;

(b) "Secretary" means the secretary for human resources, or his duly authorized representative;

(c) "Child" means a person that has not reached his eighteenth birthday;

(d) "Voluntary commitment" means a commitment by which the department is given custody of a child by consent of the parent or parents or guardian having custody without a court adjudication.

(2) (a) The department shall have authority to accept children on voluntary commitments; however, the department shall refuse to accept any child on the voluntary commitment unless adequate facilities, funds and resources are available to care for the child, and the secretary finds that said commitment would be for the best interest of the child.

(b) As a condition of any voluntary commitment, the secretary may enter into an agreement with the person or persons consenting to said commitment to pay an agreed sum for the care and treatment of the child. The sum shall be determined by the needs of the child and by the ability of the parent, parents, or guardian to pay.

(c) In the case of voluntary commitment, the department may expend funds necessary to give to the child committed all services available to any child committed to it by the courts including, but not limited to, diagnosis, treatment, foster care, day care, institutional care and treatment,and necessary medical, psychological and psychiatric care.

(d) In the event a child is before a juvenile *session of district* court under provisions of KRS 208.020 (1) (a) and KRS 208.170, the department may not accept a voluntary commitment unless written permission is given by the court before which the case is pending.

(e) Any person who has consented to the voluntary commitment may request the release of the child in writing addressed to the secretary for human resources. The secretary shall within ten (10) days, order release of the child, or, if in the opinion of the secretary it would be to the best interest of the child that he remain in the custody of the department, a petition shall be filed in the juvenile *session of district* court of the county of residence of the child as provided for in KRS 208.070.

(f) If the secretary determines that the child can no longer benefit from those services offered by the department, the child may be returned at once to the care of its parent, parents or guardian, or to a third person mutually agreed upon.

Section 152. KRS 199.380 is amended to read as follows:

No person or persons shall board or lodge children under the age of sixteen (16) years, or in any manner conduct a boarding home or boarding house for children under the age of sixteen (16) years, unless authorized and empowered so to do, in writing, by the health officer of the county in which such boarding home or boarding house is conducted. Before authorizing or empowering any person or persons to board or lodge children under the age of sixteen (16) years, or in any manner to conduct a boarding house or boarding home for such children, the health officer to whom an application is made for such authority or power shall make or cause to be made, an investigation to determine whether such person or persons have made suitable, sanitary and satisfactory arrangements for the health of such children. When such authority and power have been granted by a health officer the same may be revoked at any time, in the discretion of said health officer, when he shall determine that arrangements for the health of the children boarded or lodged in such boarding home or boarding house are unsuitable and unsatisfactory, and in no event shall such authority and power be effective for a longer period than one (1) year following the granting of same. Whenever the health officer of any county shall be notified by the juvenile *session of district* court of such county, or notified by the probation officer thereof, that the person or persons operating a boarding home or boarding house for children under the age of sixteen (16) years are not making suitable and satisfactory arrangements for the health of the children being boarded or lodged therein, he shall make or cause to be made an investigation to determine whether or not the power and authority of such person or persons to operate such home shall be revoked. Any person who boards or lodges a child under the age of sixteen (16) years without having the permit provided for herein shall be guilty of an offense and punished as provided in subsection (3) of KRS 199.990.

Section 153. KRS 199.390 is amended to read as follows:

Every person who boards or lodges children under the age of sixteen (16) years or conducts a boarding house or boarding home for such children, shall keep a book, securely bound, in which shall be entered the name, sex and race of every child boarded or lodged in the house or home conducted by him or her, together with the names and post-office addresses of the parents of such child, the date such child was placed in such house or home, the date of such child's birth and the amount charged each week or month as compensation for boarding or lodging such child. Such facts shall be entered in said book at the time said child is placed in said house or home and shall be signed by the person or persons placing said child therein before leaving the premises upon which said house or home is conducted. Such book shall always be available for inspection by the health officer of the county in which said house or home is situated, or the judge of the juvenile *session of district* court of said county, or any probation officer of said court. Failure to comply with the provisions of this section shall constitute an offense, punishable as provided in subsection (3) of KRS 199.990.

Section 154. KRS 199.473 is amended to read as follows:

(1) All persons other than a licensed child-placing agency or institution, the department or persons excepted by KRS 199.470(4) or (5) who wish to place or receive a child shall make written application to the secretary for permission to place or receive a child. Upon receipt of an application to place or receive a child the secretary shall cause an investigation to be made of the home and the background of the person or persons wishing to receive the child. The purpose of the investigation shall be to determine the suitability of the applicants to receive a child, taking into account at all times the best interest of the child for whom application to receive has been made. The child welfare worker making the investigation shall make a finding in writing recommending either that the application be granted or that the application be denied. In either case reasons for the child welfare worker's recommendation shall be given in writing. The recommendation of the child welfare worker shall then be reviewed by the secretary. Based on the report and recommendation of the child welfare worker making the investigation, the secretary shall grant or refuse permission for the applicant to place or receive a child as early as practicable, but, in any case, the decision shall be made within sixty days after the receipt of the application. In reaching his decision the secretary shall be guided by the ability of the persons wishing to receive the child to give the child a suitable home, and shall at all times consider the best interest of the child from a financial, medical, psychological and psychiatric standpoint. If the application is refused the secretary shall in general terms furnish in writing the reasons for his refusal.

(2) In any case where the department refuses to approve the placement of a child for adoption when requested by the parent or parents of the child, or refuses the request of any person or persons that a child be placed with him or them for adoption, the decision of the secretary in so refusing shall be final unless within ten days after notice of refusal, the natural or proposed adopting parent or parents shall appeal to the circuit court of the county in which the adoption is proposed, provided however that no placement shall be disapproved on the basis of the religious, ethnic, racial or inter-faith background of the adoptive applicant, if such placement is made with the consent of the parent. The department shall be made a party defendant to the appeal. In the hearing of an appeal the court shall review the findings of the secretary and shall determine if the secretary has acted arbitrarily, unlawfully, or in such a manner as to constitute an abuse of discretion.

(3) No person, association or organization, other than the department or a licensed child-placing institution or agency shall place a child or act as intermediary in the placement of a child for adoption or otherwise, except in the home of a stepparent, grandparent, sister, brother, aunt or uncle, or upon written approval of the secretary. Nothing in this subsection shall be construed to limit the department for human resources in carrying out its aid to dependent children program in accordance with KRS Chapter 205.

(4) In the event a child who does not fall within the exception provided for in KRS 199.470(4) or (5) is placed or received in a home without the permission of the secretary for human resources, or in the event permission to receive a child has been denied, a representative of the department may petition the juvenile *session of district* court of the county in which the child is found setting out the facts concerning the child. When such petition has been filed, the [juvenile] court shall take jurisdiction of the child and shall provide for it as it would provide for a dependent, neglected or abused child under KRS 208.020 except that the child may not be placed in the home of the applicants to receive him unless permission to do so is granted by the secretary or such action is ordered by a circuit court, the Kentucky Court of Appeals or Supreme Court of Kentucky.

(5) Nothing in this statute shall be construed to limit the authority of the department or a licensed child-placing institution or agency to determine the proper disposition of a child committed to it by the juvenile *session of district* court or the circuit court, prior to the filing of an application to place or receive.

Section 155. KRS 199.609 is amended to read as follows:

(1) The circuit court shall have jurisdiction of proceedings under this chapter to terminate parental rights. A petition for involuntary termination of parental rights may be filed in the circuit court for any of the counties in the following order of priority:

(a) The county in which either parent resides or may be found;

(b) The county in which juvenile *session of district* court action concerning the child, if any, has commenced;

(c) The county in which the child involved resides or is present.

(2) The petition for involuntary termination of parental rights under KRS 199.601 to 199.617 shall be verified and contain the following:

(a) Name and identity of each petitioner;

(b) Name, sex, and date of birth of the child;

(c) Name and address of the parents of the child;

(d) Grounds for the termination of parental rights;

(e) Name and identity of the person or the authorized agency to which custody is sought to be transferred;

(f) Statement that the agency to whom custody is to be given has facilities available and is willing to receive the custody of the child;

(g) Other information concerning termination or disclaimers of parenthood.

Section 156. KRS 208.020 is amended to read as follows:

(1) The juvenile session of the district court of each county shall have exclusive jurisdiction in proceedings concerning any child living, or found within the county who has not reached his eighteenth birthday or of any person who at the time of committing a public offense was under the age of eighteen (18) years:

(a) Who has committed a public offense, except a moving motor vehicle offense, involving a child sixteen (16) years of age or older. The court shall not have jurisdiction in any prosecution of a moving motor vehicle offense involving a child sixteen (16) years of age or older. Juvenile offenders sixteen (16) years of age or older accused of moving motor vehicle offenses shall be treated as any adult offender; provided, however, that the term "moving motor vehicle offense" shall not be deemed to include the offense of stealing or converting a motor vehicle nor operating the same without the owner's consent, nor any offense which constitutes a felony; or

(b) Who does not subject himself to the reasonable control of his parents, teacher, guardian or custodian, by reason of being wayward or habitually disobedient; or

(c) Who is an habitual truant from home or from school; or

(d) Who is found by the court to be dependent, neglected, or abused.

(2) The court of each county wherein a public offense, as defined in paragraph (a) of subsection (1) of this section, is committed by a child who is a resident of another county of this state, shall have concurrent jurisdiction over such child with the court of the county wherein the child resides, or the court of the county where the child is found. Whichever court first acquires jurisdiction of such child may proceed to final disposition of his case, or, in its discretion may make an order transferring the case to the court of the county of his residence, or the county wherein the offense was committed, as the case may be.

(3) The court of each county shall have exclusive jurisdiction of persons charged with violations of KRS 530.060 and 530.070.

(4) No person shall willfully and unnecessarily expose to the inclemency of the weather, or in any other manner willfully injure in health or limb any child actually or apparently under the age of sixteen (16) years. The juvenile session of district court shall have exclusive jurisdiction of persons who violate this subsection.

(5) No person shall for gain or reward employ or cause to be employed, or exhibit, use, or have in his custody for the purpose of exhibiting, or employing, any child actually or apparently under the age of sixteen (16) years, nor shall any person having the care, custody, or control of such child, in any way procure, or consent for gain or reward, to the employment or exhibition of such child, either:

(a) In begging or receiving alms, or in any mendicant occupation;

(b) If the child is a female, in peddling or in any wandering occupation;

(c) In any indecent or immoral occupation or practice;

(d) In the exhibition of any such child when insane, or idiotic; or

(e) In any practice or exhibition of unusual danger to life, limb, health or morals of the child.

The juvenile session of district court shall have exclusive jurisdiction of persons who violate this subsection.

(6) Any person, over whom the court has jurisdiction under subsections (3), (4) or (5) of this section, shall be entitled to a trial by jury.

(7) Nothing in this chapter shall deprive other courts of the jurisdiction to determine the custody or guardianship of children upon writs of habeas corpus, or to determine the custody or guardianship of children when such custody or guardianship is incidental to the determination of other causes pending in such other courts; nor shall anything in this chapter affect the jurisdiction of circuit courts over adoptions and proceedings for termination of parental rights. The juvenile session of district court shall have no jurisdiction to make permanent awards of custody of a child, but if the court finds an emergency to exist affecting the welfare of a child, it may make temporary orders for its custody, pending the outcome of proceedings in circuit court to determine its permanent custody. Such orders shall be entirely without prejudice to the proceedings for permanent custody of the child, and shall remain in effect until modified or set aside by the court. Upon the entry of a temporary or final judgment in the circuit court, awarding custody of such child, all prior orders of the juvenile *session of district* court in conflict therewith shall be deemed canceled.

(8) Actions brought under subsection (1)(a) of this section shall be considered to be delinquency actions.

(9) Actions brought under subsection (1)(b) and (c) of this section shall be considered to be status actions.

(10) Actions brought under subsection (1)(d) of this section shall be considered to be dependency actions.

Section 157. KRS 208.060 is amended to read as follows:

(1) All cases involving children brought before the court shall be granted a speedy hearing and shall be dealt with by the juvenile *session of district* court at separate hearings and without a jury except that a trial by jury may be had in accordance with the provisions of KRS 208.020(3), (4) and (5). The hearings may be conducted in an informal manner. The general public shall be excluded and only the immediate families or guardians of the parties before the court, witnesses necessary for the prosecution and defense of the case, the probation worker with direct interest in the case, those persons enumerated under KRS 208.040, such persons admitted as the judge shall find have a direct interest in the case or in the work of the court, and such other persons as agreed to by the child and his attorney may be admitted to the hearing. Witnesses shall be admitted to the hearing only for the duration of their testimony.

(2) Juvenile proceedings shall consist of two distinct hearings, an adjudication and a disposition, which may, upon motion of the child, be held on separate days.

(a) The adjudication shall determine the truth or falsity of the allegations in the petition and shall be made on the basis of an admission or confession of the child to the court or by the taking of evidence.

(b) Upon motion by any child brought before the court on a petition under KRS 208.020(1)(a), (b), or (c), the Rules of Criminal Procedure shall apply to all matters involved in the adjudication of the case. All adjudications shall be supported by evidence beyond a reasonable doubt.

(c) After adjudication, a determination by the court that detention pending disposition is necessary shall be based on a finding of the court by a preponderance of the evidence that the circumstances surrounding the child are such as to endanger his safety or welfare or that of the community.

(d) The disposition shall determine the action to be taken by the court on behalf of, and in the best interest of, the child. Unless the provisions of subsections (3) and (4) are observed by the court, the disposition shall be limited to an informal adjustment of the matter between the parties and the court. The provisions of subsections (3) and (4) shall be conditions precedent to any commitment, court-ordered probation, restitution, or other disposition enforceable by the authority of the court. No public or private agency or body, or party before the court, shall participate in any order of the court unless it receives from the court a verified statement, signed by the juvenile judge, that the rights enumerated in subsections (3) and (4) were granted to the child during the proceedings in juvenile *session of district* court.

(3) Before commencing a hearing and proceeding to determine the truth or falsity of the allegations in a petition filed with the court under KRS 208.020(1)(a), (b), or (c), the court shall decide, on the basis of a preliminary inquiry made by the court, whether or not the best interest of the child indicates that the petition should be dismissed and the child's case adjusted informally among the parties. An informal adjustment may be made at any time during the proceedings. All petitions brought under KRS 208.020(1)(a), (b), or (c) shall receive this consideration by the court. No petition shall be brought against the child as a result of information given to the court by the child as part of an informal adjustment. If the court finds it necessary to extend the discussion, during an informal adjustment, beyond the immediate subject matter of the complaint before it, the child and his parents, relative, guardian, or custodian shall be advised of all the rights under this subsection. If the court determines that a formal proceeding is required to determine the truth or falsity of the allegations against the child, a petition, sworn to by the complainant, shall be required pursuant to KRS 208.070(1) and (2), and the court shall, when the child is brought before the court:

(a) Explain to the child and his parents, relative, guardian, or custodian their respective rights to counsel and, if the child and his parents, relative, guardian, or custodian are unable to obtain counsel, shall appoint counsel for the child and may appoint counsel for the parents, relative, guardian, or custodian;

(b) Explain the privilege against self-incrimination by saying that the child, parents, relative, guardian, or custodian may remain silent concerning the charges against the child, and that anything said may be used against the child and result in his commitment to the department or an institution for juvenile delinquents;

(c) Explain the right to confront anyone who has accused the child and to cross-examine that person on the allegations made against the child;

(d) Advise the child and his parents, relative, guardian, or custodian of the right to appeal from a determination of the court;

(e) Advise the child that these rights belong to him and may not be waived by his parents, relative, guardian, or custodian.

(4) At the disposition of a child adjudicated on a petition brought pursuant to KRS 208.020(1)(a), (b), or (c), all information helpful in making a proper disposition, including oral and written reports, may be received by the court in compliance with KRS 208.060(2)(d) and relied upon to the extent of their probative value, provided that the parties or their counsel shall be afforded an opportunity to examine and controvert the reports and cross-examine the individuals making the reports.

(5) In the case of any child brought before the court on a petition under KRS 208.020(1)(d), the rules of evidence and procedure described in subsection (3) of this section shall apply.

Section 158. KRS 208.070 is amended to read as follows:

(1) Whenever any person informs the juvenile *session of district* court that a child is within the purview of KRS 208.020, the court shall make a preliminary inquiry to determine whether the interests of the public or of the child require that further action be taken. Thereupon the court may make such informal adjustment as is practicable without a petition, or a petition for proceedings concerning the child may be filed by any person. The petition and all subsequent court documents shall be entitled: "In the interest of ...., a child."

(2) The petition shall be verified and may be upon information and belief. It shall set forth plainly:

(a) The facts which bring the child within the purview of KRS 208.020;

(b) The name, age and residence of the child;

(c) The name and residence of each parent;

(d) If the child has a legal guardian other than a parent, the name and residence of such guardian;

(e) If no parent or guardian is known or can be found, the name and residence of the nearest known adult relative of the child;

(f) If the child is in the custody or control of a person other than the parent, guardian or nearest adult relative, the name and residence of such person.

(3) If any of the facts required to be stated in the petition are not known by the petitioner, the petition shall so state.

Section 159. KRS 208.120 is amended to read as follows:

No child under sixteen (16) shall at any time be detained in any police station, lockup, jail or prison, except that, on the basis of a hearing for that purpose, by the [juvenile court] judge *of the juvenile session of district court*, a child whose conduct or condition is such as to endanger his safety or welfare or that of others in the detention facility for children, may be placed in a jail or other place of detention for adults, but in a room or ward entirely separate from adult prisoners.

Section 160. KRS 208.130 is amended to read as follows:

(1) The fiscal court of each county shall provide for a suitable facility or facilities for the custody and care of children held in custody pending disposition of their cases by the juvenile *session of district* court, and may employ necessary personnel for the operation thereof.

(2) In counties containing a city of the first or second class, the fiscal court shall maintain a permanent detention home, either through arrangement with another public agency or with a private organization or agency, or by acquiring and operating the home as a county institution.

(3) In counties other than those containing a city of the first or second class, the fiscal court shall either maintain a detention home or arrange for the use of private or family homes.

(4) The department may assist the counties in the acquisition, development and furnishing of detention facilities, and may employ available funds for that purpose. The detention facilities may be subject to the supervision of the department, and shall conform to rules and regulations prescribed by the department.

(5) Each child detained in such facility shall be deemed to be under the jurisdiction of the juvenile *session of district* court before which his case is pending.

(6) The fiscal court of any county may arrange with the department for the use of its regional reception-diagnostic centers for those cases pending before the juvenile *session of district* court of its county. The fiscal court is authorized to make such payments as agreed upon with the department for the use of the services and facilities. The use of the department's regional reception-diagnostic centers by the individual juvenile courts shall not give such juvenile courts jurisdiction over the department's regional reception-diagnostic centers.

(7) The fiscal court of any county other than a county containing a city of the first or second class or urban-county government may request in writing that the department operate, maintain and control any secure detention facility for juveniles presently located in the county for which it is responsible. Within ninety (90) days of the receipt of such request the department may take control of and operate and maintain such facility if it meets standards prescribed by the department. If the department's budget permits and the department does operate, maintain and control such facility, it may accept appropriate children for placement in the facility who may be before the court in counties other than the county in which the facility is located.

(8) Upon the department's agreement to accept control of a secure detention facility for juveniles as prescribed in subsection (7) of this section, the department shall continue to operate the facility unless or until by mutual agreement the control, operation and maintenance of the facility is returned to the fiscal court.

(9) Upon the department's agreement to accept control of a secure detention facility for juveniles as prescribed in subsection (7) of this section, the detention facility and the physical property upon which the facility is located may be transferred to the Commonwealth of Kentucky by deed or by lease as agreeable to the department.

Section 161. KRS 208.140 is amended to read as follows:

(1) Before making disposition of the case of a child brought before the juvenile *session of district* court, whether by petition pursuant to KRS 208.070 or by reason of having been taken into custody pursuant

to KRS 208.110, the judge shall cause an investigation to be made, concerning the nature of the specific act complained of, and any circumstances surrounding the child which throw light on the future care and guidance which should be given the child. The investigation shall include an inquiry into the child's age, habits, school record, general reputation and everything that may pertain to his life and character. The investigation shall also include an inquiry into the home conditions, life and character of the person having custody of the child. The result of the investigation shall be reported in writing to the judge previous to the final hearing of the child's case, and shall become a part of the record of the proceedings.

(2) The investigation shall be conducted by volunteer or salaried probation officers of the juvenile *session of district* court or by a suitable public or private agency. The department may furnish investigation services under agreements with the individual juvenile courts. For this purpose, any county judge/executive may enter into a contract on behalf of his county with the department for the furnishing of such services.

Section 162. KRS 208.150 is amended to read as follows:

If an investigation indicates that a child before the juvenile *session of district* court may be mentally ill or defective, the court may cause the child to be examined by a health officer or child guidance clinic, or any reputable physician who will conduct the examination. If such examination confirms mental illness or defect, further proceedings shall be had in accordance with the law governing inquests concerning sanity.

Section 163. KRS 208.160 is amended to read as follows:

(1) When the health or physical condition of any child before the juvenile *session of district* court requires it, the court may order the child to be placed in a public hospital or institution for treatment or special care, or in a private hospital or institution which will provide treatment and care. In order to ascertain the physical condition of a child, the court may cause the child to be examined by a health officer or children's clinic or any reputable physician who will conduct the examination.

(2) The court may order or consent to necessary medical treatment, including surgical procedures, except for the purpose of abortion or sterilization, after a hearing conducted to determine the necessity of such treatment or procedure. Reasonable notice, taking into account any emergency circumstances, shall be provided to the parents, guardian or custodian of the child to enable them to attend the hearing.

Section 164. KRS 208.170 is amended to read as follows:

(1) If, prior to an adjudicatory hearing in the juvenile *session of district* court, it appears to the court that there is reasonable cause to believe that a child before the court has committed a felony, and at the time of commission of the offense the child was sixteen (16) years of age or older, or was less than sixteen (16) years of age but the offense was a class A felony or a capital offense, and the court is of the opinion that the child be tried and disposed of under the regular law governing crimes, the court shall conduct a separate hearing to determine if the case should be transferred to the circuit court of the county in which the offense was committed. No child shall be considered a felon for any purpose until transferred to, tried and convicted of a felony by a circuit court.

(2) The hearing held to consider the transfer of a juvenile to the circuit court shall determine if there is probably cause to believe that an offense was committed and that the child committed the offense.

(3) If the court determines that probable cause exists, it shall then determine if it is in the best interest of the child and the community to order such a transfer based upon the seriousness of the alleged offense; whether the offense was against person or property, with greater weight being given to offenses against persons; the maturity of the child as determined by his environment; the child's prior record; and the prospects for adequate protection of the public and the likelihood of reasonable rehabilitation of the child by the use of procedures, services, and facilities currently available to the juvenile justice system.

(4) If, following completion of the transfer hearing, the court is of the opinion that the best interest of the child and of the public would be protected by such transfer, the order of transfer shall state the reason for such transfer.

(5) When the juvenile *session of district* court so transfers a case to the circuit court:

(a) If a grand jury considers the case and is satisfied there is sufficient evidence to indict the child, it shall be instructed that it may either return an indictment or may return a written report to the circuit court recommending that the child be transferred to the juvenile *session of district* court. If the court believes that such transfer would be proper, it may order the child transferred to the juvenile *session of district* court.

(b) If an indictment is returned. the court may in its discretion order the case transferred to the juvenile *session of district* court.

(c) If an indictment is returned and the court does not transfer the case to juvenile *session of district* court, the child shall be tried as any other defendant.

(d) While under the jurisdiction of the circuit court, the child shall be subject to bail the same as an adult.

Section 165. KRS 208.190 is amended to read as follows:

When a child before the juvenile *session of district* court, whether by petition pursuant to KRS 208.070 or by reason of having been taken into custody pursuant to KRS 208.110, is found by the court to come within the purview of KRS 208.020. the court shall so decree and in its decree shall make a finding of the facts upon which the court exercises its jurisdiction over the child. If the court finds that the child does not come within the purview of KRS 208.020, the child shall be discharged and the proceedings dismissed.

Section 166. KRS 208.198 is amended to read as follows:

(1) The juvenile *session of district* court shall notify the law enforcement agency of the child's county of residence and the law enforcement agencies where any offense was committed of the disposition of each case and of each child committed by the court who is placed in a residential treatment facility by the department.

(2) The department shall notify the juvenile *session of district* court of the county of placement with the conditions of supervised placement of each child placed in that county from one of the residential treatment facilities operated by the department. Notice of the conditions of such placement may be made available by the court to any law enforcement agency.

Section 167. KRS 208.200 is amended to read as follows:

(1) If in its decree the juvenile *session of district* court finds that the child comes within the purview of subsections (1) or (2) of KRS 208.020, the court may, by order:

(a) Place the child on probation or under supervision in his own home or in a suitable family home or boarding home, upon such conditions as the court shall determine. Probation or supervision shall not be ordered or administered as a punishment, but as a measure for the protection, guidance and well-being of the child and his family. A child so placed on probation or supervision shall be subject to the visitation and supervision of a probation officer or a child welfare worker. Probation and supervision methods shall be directed to the discovery and correction of the basic causes of maladjustment and to the development of the child's personality and character, with the aid of the social resources of the community. A child so placed on probation or supervision shall remain subject to the jurisdiction of the court until he becomes eighteen (18) years of age, unless he is discharged prior thereto by the court.

(b) Commit the child to the custody or guardianship of the department or of a private institution or public agency authorized to care for such children, or place the child under the custody and the supervision of a suitable person. All orders of commitment may include such advisory recommendations as the court may deem proper in the best interests of the child and of the public. Such commitment or placement shall be until the age of eighteen (18) subject to the power of the court to terminate the order and discharge the child prior thereto. The governing authorities of said department, agency or institution may likewise discharge the child unless the court directs otherwise. Prior to said discharge two weeks' notice must be given to the committing court, to the legal representative of the child and to the county attorney of the county in which committing court presides. During the period of commitment or placement, the court may review a dispositional order and may modify or terminate such order as the court deems essential to the best interests of the child. In committing a child to a private institution or agency the court shall select one that is approved by the department for human resources and children committed to such an institution or agency shall be subject to the visitation and supervision of a probation officer or child welfare worker.

(2) In the event a child who has not reached his eighteenth birthday commits a new offense while under the jurisdiction of the court or during the period of commitment the court shall have exclusive, original jurisdiction of the new offense.

(3) After a child has been disposed of as provided in paragraph (a) or (b) of subsection (1) of this section he may not then be transferred to the circuit court as provided for in KRS 208.170.

(4) If a child sixteen (16) years of age or older has been adjudicated delinquent in the commission of an offense classified as a misdemeanor or violation, the court in its discretion may order as follows:

(a) Participation in a community services work program. The work program shall be of a constructive nature designed to promote the rehabilitation of the child. The program shall be appropriate to the age level and physical ability of the child and shall be combined with counseling from a probation officer or other responsible person. The work program shall not be scheduled during such times that would interfere with educational, occupational, or religious obligations of the child. Assignment to a community services work program shall be made to a governmental or nonprofit community organization for a specified period of time, not to exceed one hundred and twenty (120) hours for a child adjudicated delinquent in the commission of a Class A misdemeanor, not to exceed eighty (80) hours for a child adjudicated delinquent in the commission of a Class B misdemeanor, and not to exceed forty (40) hours for a child adjudicated delinquent in the commission of an offense classified as a violation under the penal code. A child may be directed to participate in a community services work program as provided in this subsection for the purposes of restitution authorized by KRS 208.240.

(b) The court may impose a fine for a misdemeanor or violation offense. The imposition of a fine for a misdemeanor or violation offense committed by a child shall be based upon a determination that such disposition is in the best interest of the child and to aid in his rehabilitation. Any such order shall include a finding that the child is financially able to pay such fine.

(c) Fines shall be levied consistent with the schedule set forth below:

For a Class A misdemeanor, not to exceed $150;
For a Class B misdemeanor, not to exceed $75; and
For a violation, not to exceed fifty dollars ($50).

When a child is directed by the court to pay a fine, the court may provide for payment to be made within a specified period of time or in specified installments. If such provision is not made a part of the court's disposition, the fine shall be payable immediately.

(5) When a child has been ordered to comply with the provisions in subsection (4) above and fails to do so, the court upon motion of the prosecuting attorney or upon its own motion may require the child to show cause why he should not be held in detention for noncompliance with the court order. The court may issue an order of custody or a summons for his appearance.

(6) Following issuance of a show cause order pursuant to subsection (5) above, unless the child can show that noncompliance was not the result of an intentional refusal to comply with the court order or not the result of a failure to make a good faith effort to comply with the court order, the court may order the child detained as follows:

(a) For a period not to exceed five (5) days if the order is imposed for the commission of a Class A misdemeanor;

(b) For a period not to exceed three (3) days if the order is imposed for the commission of a Class B misdemeanor;

(c) For a period not to exceed two (2) days if the order is imposed for the commission of a violation.

Any detention imposed for failure to comply with the court order shall not be scheduled for a time that would interfere with the educational obligations of the child, and shall be in an approved detention facility as provided in KRS 208.130.

(7) When in the judgment of the court a disposition stated above in subsection (4) is inadequate to aid in the rehabilitation of a misdemeanor offender, the court in its discretion may order a child sixteen (16) years of age or older who has been adjudicated delinquent in the commission of an offense classified as a misdemeanor to detention in an approved detention facility as provided in KRS 208.130 based upon the schedule set forth below:

Class A misdemeanor, 1 to 30 days;
Class B misdemeanor, 1 to 15 days;

provided, that, the court shall advise the child prior to entering its order under this subsection that the child upon demand may receive a trial by jury in the regular session of district court, which trial and any appeal therefrom shall be conducted in accordance with the Rules of Criminal Procedure.

The detention of a juvenile misdemeanor offender shall not be scheduled to interfere with the educational obligations of the child. Detention may be scheduled during periods such as weekends, after school, or overnight. Any portion of a day spent in detention shall be deemed as one day for the purposes of serving a detention term.

(8) No adjudication by a juvenile *session of district* court of the status of any child shall be deemed a conviction, nor shall such adjudication operate to impose any of the civil disabilities ordinarily resulting from a criminal conviction, nor shall any child be found guilty or be deemed a criminal by reason of such adjudication.

Section 168. KRS 208.230 is amended to read as follows:

In support of any order or decree, the juvenile *session of district* court may require the parents or other person having custody of a child, or any other person who has been found by the court to have engaged in an unlawful transaction with a minor endangered the welfare of a minor or in any way encouraging, causing or contributing to the acts or conditions which bring the child within the purview of KRS 208.020 to do any acts required by law or to desist from doing any acts forbidden by law, when the court deems such requirement necessary for the welfare of the child. The court may, in its discretion, order the appearance of the parents, relative, guardian, custodian, or other person having custody of the child at any court hearing involving the child. In case of failure to comply with any orders entered pursuant to the provisions of this section, the court may proceed against such persons for contempt of court.

Section 169. KRS 208.270 is amended to read as follows:

Whenever any court commits a child to the department or whenever a juvenile *session of district* court commits a child to any institution or agency, the court shall cause to be transmitted to the department, institution or agency a certified copy of the commitment order, together with a summary of the court's information concerning the child. The child shall be held by virtue of the order, and the certified copy of the order shall be proof of the authority of the department, institution or agency in behalf of the child. Such certified order shall be sufficient authority for any law enforcement officer to detain any person named therein and deliver him to such a place as shall be directed by the department, institution or agency given custody of him in the order.

Section 170. KRS 208.300 is amended to read as follows:

The person in charge of any home to which a child is probated, and the governing authority of any private institution or agency to which a child is committed, shall make such reports to the juvenile *session* *of district* court as the court may require, and such reports as the department may require in the performance of its functions under the law. The department shall have the power to make such visitations and inspections of the homes, institutions and agencies in which children who have committed public offenses have been placed as it deems necessary to carry out its functions under the law.

Section 171. KRS 208.310 is amended to read as follows:

(1) The county judge/executive of each county may appoint a board of not less than six (6) nor more than ten (10) reputable inhabitants to be called the advisory board of the juvenile *session of district* court. The members of the board shall hold office during the pleasure of the judge, and shall serve without compensation.

(2) The board shall visit at least once a year all institutions in the county receiving children under KRS 208.010 to 208.540, and may visit any family home or boarding home in the county receiving children under KRS 208.010 to 208.540. At least two (2) of the members of the board shall go together on the visits, and shall make a report to the board. The board shall report to the juvenile *session of district* court from time to time the condition of the children in the institutions or homes and shall make an annual report to the juvenile *session of district* court.

(3) The board shall advise and cooperate with the county judge/executive upon all matters affecting the workings of KRS 208.010 to 208.540, and shall recommend to the court any needful measures for the purpose of carrying out the provisions of KRS 208.010 to 208.540. The appointment and utilization of such advisory boards by each county judge/executive is recommended by the general assembly as a matter of public policy.

Section 172. KRS 208.320 is amended to read as follows:

(1) In counties containing a city of the first or second class, the county judge/executive may appoint a chief probation officer of the court and such number of assistant probation officers, professional and clerical personnel as may be authorized by the fiscal court. Such officers shall receive reasonable salaries to be fixed by the fiscal court, and shall be allowed their actual and necessary expenses incurred in the performance of their duties. The salaries and expenses shall be paid out of the county treasury. The officers shall serve at the pleasure of the county judge/executive. The officers shall be peace officers, with all the powers of the sheriff in making arrests and carrying out the purposes of this chapter. A probation officer may take into custody any child that he has reasonable grounds to believe is in violation of conditions of his or her probation, and detain such child for appropriate action by the court.

(2) In counties containing an urban-county government, the mayor shall appoint a chief probation officer of the juvenile division of the district court and such number of assistant probation officers, professional and clerical personnel as are reasonably necessary for the operation of the juvenile division of the district court. Such officers shall receive reasonable salaries to be fixed by the urban-county council, and shall be allowed their actual and necessary expenses incurred in the performance of their duties. The salaries and expenses shall be paid out of the urban-county treasury. The officers shall serve at the pleasure of the mayor but shall be subject to the direction and control of the judges of the district court in the performance of their duties. The officers shall be peace officers, with all the powers of the sheriff in making arrests and carrying out the purposes of this chapter. A probation officer may take into custody any child that he has reasonable grounds to believe is in violation of conditions of his or her probation, and detain such child for appropriate action by the court.

(3) In any county, the district court may appoint or designate one or more discreet persons of good moral character to serve as volunteer probation officers of the juvenile *session of district* court. Such officers shall serve during the pleasure of the judge and without compensation, except that the fiscal court or the urban-county council, as appropriate, may authorize the payment of compensation and reasonable expenses out of the county or urban-county treasury of any such officers. Representatives of the department for human resources may be appointed or designated as such volunteer probation officers, but without compensation from county funds.

(4) A child welfare worker may be, upon the recommendation of the secretary for human resources, appointed by the governor to act as a peace officer in carrying out the purpose of this chapter and KRS chapter 199. If the department deems it necessary, it may appoint a child welfare worker to cooperate with the court.

Section 173. KRS 208.330 is amended to read as follows:

Probation officers of the juvenile *session of district* court shall:

(1) Make investigations as provided in KRS 208.140.

(2) Be present in court to represent the interest of the child when the cases investigated by them are heard; furnish such information as may be required; advise with the court as to the proper disposition of the case; and take such charge of the child before and after the hearing as may be ordered.

(3) Visit and supervise children placed on probation, and as far as practicable, aid and encourage such children, by friendly advice and admonition, to keep the terms of their probation, and provide for their rehabilitation.

(4) Make such reports and records as may be required by the court.

(5) Supervise the transfer of children to and from homes or institutions, as directed by the court.

(6) Work in cooperation with the representatives of the Department for Human Resources.

Section 174. KRS 208.340 is amended to read as follows:

(1) No probation officer, nor employe of a probation office, shall, without the consent of the district judge, sitting in juvenile session, divulge or communicate to any persons other than the court, a member of the advisory board of the court, or a representative of the department, any information obtained pursuant to the discharge of his duties, nor shall any record of the actions of the probation officer be made public except by leave of the district judge: Provided, That nothing in this subsection shall prohibit the probation officer from divulging or communicating such information to the court, to his colleagues or superiors in his own department, to another probation officer having a direct interest in the record or social history of the child, or to a representative of any public or private social agency, institution, hospital or church having a direct interest in the record or social history of the child.

(2) All police records regarding children who have not reached their eighteenth birthday shall not be opened to scrutiny by the public. However, such police records shall be made available to the family, guardian or legal representative of the child involved. Such records shall also be made available to the court, probation officers, representatives of the department, or to a representative of any public or private social agency, institution, hospital or church having a direct interest in the record or social history of the child.

(3) This section shall relieve the probation officer or police officer from divulging such facts as a witness on the trial of any case, or the hearing of any proceedings, or the production of such records for use in such trial or proceedings; except that the facts may be divulged or the records produced where the case on trial is an appeal from the juvenile court's order, or a case transferred to circuit court from juvenile *session of district* court pursuant to KRS 208.170, and the facts or records relate directly to the child's participation in the offense with which he is charged, if any.

Section 175. KRS 208.370 is amended to read as follows:

In proceedings in the juvenile *session of district* court, no court fees shall be charged against, and no witness fees shall be allowed to, any party to a petition. No public officer shall be entitled to receive any fee from the service of process or for attendance in court in any such proceedings. All other persons acting under orders of the court may be paid, for service of process and attendance as witnesses, the fees provided by law for like services in civil cases in the circuit court, the payments to be made out of the county treasury. The county or state may compensate any officer or person in the amount prescribed by law for the detention or return of any person to the jurisdiction of the court, and funds for this purpose may be appropriated and paid by the fiscal court.

Section 176. KRS 208.380 is amended to read as follows:

(1) An appeal to the circuit court may be taken as a matter of right from the juvenile session of the district court from all orders and judgments whereby any infant, or other person, shall be restrained of his liberty, or placed in the custody of any institution, or fined or punished in any manner. The appeal shall be taken in the manner provided in the Rules of Criminal Procedure, and the circuit court shall, in the best interest of the child, hear such cases as soon as reasonably possible.

(2) A child's right to release during the pendency of an appeal shall be determined by a hearing held in circuit court to decide whether the circumstances surrounding the child are such as to endanger its safety or welfare or that of the community, or to indicate that the child cannot reasonably be expected to be present for the hearing of the appeal. Release hearings shall be held within three days after the filing of the appeal. The child shall have a right to counsel at such a hearing. The Commonwealth shall bear the burden of proof at such hearings and the decision shall be based upon a preponderance of the evidence. If the child is not released, the court shall order that a judgment of the juvenile *session of district* court committing the child shall be effective pending appeal. Any party aggrieved by a denial of release pending appeal may appeal to the Court of Appeals.

(3) Any party aggrieved by the appellate decision of a circuit court made pursuant to subsection (1) may appeal to the Court of Appeals in the manner provided in the Rules of Criminal Procedure. The Court of Appeals shall, in the best interest of the child, hear such cases as soon as reasonably possible. A child's right to release pending this appeal shall be determined by the circuit court in the same manner described in subsection (2) of this section.

(4) Any party aggrieved by a proceeding under KRS 208.020(1)(d) may appeal from the juvenile *session of district* court to the circuit court as a matter of right in the manner provided in Rule 72, Kentucky Rules of Civil Procedure. The circuit court may order that the child may be removed to a suitable place, pending the appeal, if it appears by affidavit or sworn testimony that the child would be in imminent danger if left with or returned to its parents, guardian, or other person party to the appeal.

Section 177. KRS 208.420 is amended to read as follows:

(1) The department may establish and operate regional reception-diagnostic centers for the observation, study and classification of children committed to it. Such children may upon their commitment be placed

in a reception center for a period of observation and study. The reception centers shall be furnished with adequate psychiatric, psychological and social services. A case history for each child shall be prepared during his period of observation and study in the reception center. Upon the basis of study and observation in the reception center, the department shall make a recommendation as to the character of treatment or disposition which should initially be provided for the child.

(2) The regional reception-diagnostic centers established by the department may also be utilized as detention and evaluation facilities for children whose cases are pending final disposition of the juvenile *session of district* court. This use of the facilities shall be made pursuant to agreement between the department and the individual fiscal courts.

Section 178. KRS 339.450 is amended to read as follows:

(1) It shall be the duty of the department of labor and of the inspectors and agents of said department, with the assistance of the school directors of pupil personnel, police officers and juvenile *session of district* court probation officers, to enforce the provisions of KRS 339.210 to 339.450, to make complaints against persons violating the provisions of those sections, and to prosecute violations thereof. The department of labor, its inspectors and agents shall have authority to enter and inspect at any time any place or establishment covered by KRS 339.210 to 339.450, and to have access to employment certificates kept on file by the employer and such other records as may aid in the enforcement of KRS 339.210 to 339.450. School directors of pupil personnel are likewise empowered to visit and inspect places where minors may be employed, and shall report any cases of employment that they find in violation of KRS 339.210 to 339.450 to the department of labor.

(2) Any person authorized to enforce KRS 339.210 to 339.450 may require an employer of a minor for whom an employment certificate is not on file either to furnish him within ten (10) days the evidence required for an employment certificate showing that the minor is at least eighteen (18) years of age or to cease to employ or permit or suffer such minor to work. Proof of the making of such demand and of failure to deliver such proof of age shall be prima facie evidence, in any prosecution brought for violation of KRS 339.210 to 339.450, that such minor is under eighteen (18) years of age and is unlawfully employed.

Section 179. KRS 346.040 is amended to read as follows:

The board shall have the following powers and duties:

(1) To establish and maintain necessary offices within this state, appoint employes and agents as necessary and prescribe their duties and compensation.

(2) To adopt, promulgate, amend and rescind suitable rules and regulations to carry out the provisions and purposes of this chapter, including rules for the approval of attorney's fees for representation before the board or upon judicial review as provided for in KRS 346.110.

(3) To hear and determine all matters relating to claims for compensation, and the power to re-investigate or reopen claims without regard to statutes of limitations.

(4) To request from prosecuting attorneys and law enforcement officers investigations and data to enable the board to determine whether, and the extent to which, a claimant qualifies for compensation. The statute providing confidentiality for juvenile *session of district* court records does not apply to proceedings under this chapter.

(5) To hold hearings, administer oaths or affirmations, examine any person under oath or affirmation and to issue subpoenas requiring the attendance and giving of testimony of witnesses and require the production of any books, papers documentary or other evidence. The powers provided in this subdivision may be delegated by the board to any member or employe thereof. If necessary to carry out any of its powers and duties, the board may petition any circuit court for an order.

(6) To take or cause to be taken affidavits or depositions within or without the state.

(7) To make available for public inspection all board decisions and opinions, rules, written statements of policy and interpretations formulated, adopted, or used by it in discharging its functions.

(8) To publicize widely the availability of reparations and information regarding the claims therefor.

Section 180. KRS 403.090 is amended to read as follows:

(1) The fiscal court of any county may, by resolution, authorize the appointment of a "friend of the court." If the circuit court of the county has but one judge, the appointment shall be made by the judge. If the court has two or more judges, the appointment shall be made by joint action of the judges, at the general term. The person appointed to the office of friend of the court shall serve at the pleasure of, and subject to removal by, the appointing authority. The person appointed shall be a licensed practicing attorney. He shall take the constitutional oath of office and shall give bond in such sum as may be fixed by the appointing judge or judges.

(2) It shall be the duty of the friend of the court to supervise and enforce the payment of sums ordered or adjudged by the circuit court in divorce actions to be paid for the care and maintenance of minor children. All persons who have been ordered or adjudged by the court, in connection with divorce actions, to make payments for the care and maintenance of children, shall, if so ordered by the court, make such payments to the friend of the court, and he shall see that the payments are properly applied in accordance

with the order or judgment. However, if the court so directs, the payments may be made through the juvenile *session of district* court of the county; in such case the friend of the court shall render such assistance as may be required in keeping records concerning such payments and in the enforcement of delinquent payments, and the circuit court may direct that a designated amount or portion of the funds appropriated by the fiscal court for expenses of the friend of the court be paid to the juvenile *session of district* court as reimbursement for the expenses incurred by the juvenile *session of district* court in connection with the handling of such payments. The friend of the court shall promptly investigate all cases where payments have become delinquent, and when necessary shall cause the delinquent person to be brought before the court for the purpose of compelling payment. He shall ascertain the facts concerning the care, custody, and maintenance of children for whom payments are being made, and shall report to the court all cases in which the children are not receiving proper care or maintenance, or in which the person having custody is failing to furnish proper custody. He shall make such other reports to the court as the court may require.

(3) In any action for divorce where the parties have minor children, the friend of the court, if requested by the trial judge, shall make such investigation as will enable him to ascertain all facts and circumstances that will affect the rights and interests of the children and will enable the court to enter just and proper orders and judgment concerning the care, custody and maintenance of the children. He shall make a report to the trial judge, at a time fixed by the judge, setting forth his recommendations as to the care, custody and maintenance of the children. He may request the court to postpone the final submission of any case to give him a reasonable time in which to complete his investigation.

(4) The friend of the court shall have authority to secure the issuance by the court of any order, rule or citation necessary for the proper enforcement of orders and judgments in divorce actions concerning the custody, care and maintenance of children. In performing his duties under subsection (3) of this section he shall attend the taking of depositions within the county, and shall have authority to cross-examine the witnesses; in the case of depositions taken on interrogatories, he may file cross interrogatories. He shall be duly notified of the time and place of the taking of depositions in all divorce actions where the parties have minor children, and shall attend the taking of all such depositions when he deems it necessary for the protection of the minor children, or when he may be directed by the court to attend.

(5) The friend of the court shall not directly or indirectly represent any party to a divorce action except as he is herein authorized to represent the minor children of parties to a divorce action, but if an allowance is made for the support of a spouse and an infant child or children, he may proceed to enforce the payment of the allowance made to the spouse also.

(6) The fiscal court of any county which has authorized the appointment of a friend of the court under this section shall, by resolution, fix a reasonable compensation for the friend of the court and make a reasonable allowance for his necessary expenses, equipment and supplies, payable out of the general fund of the county, upon approval of the judge or judges appointing him.

Section 181. KRS 446.010 is amended to read as follows:

As used in the statute laws of this state, unless the context requires otherwise:

(1) "Action" includes all proceedings in any court of this state;

(2) "Animal" includes every warmblooded living creature except a human being;

(3) "Attorney" means attorney at law;

(4) "Bequeath" and "devise" mean the same thing;

(5) "Bequest" and "legacy" mean the same thing, and embrace either real or personal estate, or both;

(6) "Cattle" includes horse, mule, ass, cow, ox, sheep, hog or goat of any age or sex;

(7) "Company" may extend and be applied to any corporation, company, person, partnership, joint stock company or association;

(8) "Corporation" may extend and be applied to any corporation, company, partnership, joint stock company or association;

(9) "Cruelty" as applied to animals includes every act or omission whereby unjustifiable physical pain, suffering or death is caused or permitted;

(10) "Directors", when applied to corporations, includes managers or trustees;

(11) "Domestic", when applied to corporations, means all those incorporated or formed by authority of this state;

(12) "Domestic animal" means any animal converted to domestic habitat;

(13) "Federal" refers to the United States;

(14) "Foreign", when applied to corporations, includes all those incorporated or formed by authority of any other state;

(15) "Humane society", "society", or "Society for the Prevention of Cruelty to Animals", means any nonprofit corporation, organized under the laws of this state and having as its primary purpose the prevention of cruelty to animals;

(16) "Issue", as applied to the descent of real estate, includes all the lawful lineal descendants of the ancestors;

(17) ["Juvenile court" means the juvenile session of district court;

(18)] "Land" or "real estate" includes lands, tenements and hereditaments and all rights thereto and interest therein, other than a chattel interest;

(18)[(19)] "Legatee" and "devisee" convey the same idea;

(19)[(20)] "May" is permissive;

(20)[(21)] "Month" means calendar month;

(21)[(22)] "Oath" includes "affirmation" in all cases in which an affirmation may be substituted for an oath;

(22)[(23)] "Owner" when applied to any animal, means any person having a property interest in such animal;

(23)[(24)] "Peace officer" includes sheriffs, constables, coroners, jailers, marshals, policemen and other persons with similar authority to make arrests;

(24)[(25)] "Penitentiary" includes all of the state penal institutions except the houses of reform;

(25)[(26)] "Person" may extend and be applied to bodies-politic and corporate, societies, communities, the public generally, individuals, partnerships and joint stock companies;

(26)[(27)] "Personal estate" includes chattels, real and other estate that passes to the personal representative upon the owner dying intestate;

(27)[(28)] "Regular election" means the election in even numbered years at which members of Congress are elected and the election in odd numbered years at which state officers are elected;

(28)[(29)] "Shall" is mandatory;

(29)[(30)] "State" when applied to a part of the United States, includes territories, outlying possessions and the District of Columbia; "any other state" includes any state, territory, outlying possession, the District of Columbia, and any foreign government or country;

(30)[(31)] "Sworn" includes "affirmed" in all cases in which an affirmation may be substituted for an oath;

(31)[(32)] "United States" includes territories, outlying possessions and the District of Columbia;

(32)[(33)] "Vacancy in office", or any equivalent phrase, means such as exists when there is an unexpired part of a term of office without a lawful incumbent therein, or when the person elected or appointed to an office fails to qualify according to law, or when there has been no election to fill the office at the time appointed by law; it applies whether the vacancy is occasioned by death, resignation, removal from the state, county or district, or otherwise;

(33)[(34)] "Violate" includes failure to comply with;

(34)[(35)] "Will" includes codicils; "last will" means last will and testament;

(35)[(36)] "Year" means calendar year; and

(36)[(37)] "City" includes town.

Section 182. KRS 199.430 is amended to read as follows:

(1) In the discharge of the duties imposed by KRS 199.410 to 199.670 the commissioner or his duly authorized representative may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and production of books, papers, correspondence, memoranda and other records considered necessary and relevant as evidence in connection with the administration of the department. Such subpoena shall be served in the same manner as a subpoena issued out of a circuit court. Witnesses subpoenaed shall be allowed *mileage allowance* [witnesses' fees] according to [the rates prescribed by] KRS *421.015* [421.010] for each day their attendance is actually required at a hearing.

(2) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda or other records in response to such subpoena on the grounds that the evidence required of him may tend to incriminate him or subject him to a penalty for forfeiture. No person shall be prosecuted or subjected to any suit, penalty, or forfeiture on account of any transaction, matter, or thing concerning which he or his agent or worker is compelled, after having claimed privilege against self-incrimination, to give evidence, except that such witness so testifying shall not be exempt from punishment for perjury.

(3) All letters, reports, communications, and other matters, written or oral, to the department or any of its agents, representatives, or employes, or to any board or official functioning under KRS 199.410 to 199.670, which have been written, sent, or made in connection with the requirements and administration of the department shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court, but no person testifying before the commissioner or his duly authorized representative shall be exempt from punishment for perjury. Information obtained shall not be published or be open for public inspection, except to public employes in the performance of their duties, but any interested party at a hearing before the commissioner or his duly authorized representative shall be supplied with information from such records to the extent necessary for the proper presentation of his case.

Section 183. KRS 199.480 is amended to read as follows:

(1) The following persons shall be made parties defendant in an action for leave to adopt a child:

(a) The child to be adopted;

(b) The natural living parents of a child under eighteen (18), if the child is legitimate, and its mother and if paternity is established in legal action or if an affidavit is filed stating that the affiant is father of the child, its father, if the child is born out of wedlock, provided that no natural parent need be made a party defendant in the event the parental rights of such parent have been terminated under KRS *199.601 to 199.617* [199.600 to 199.630], or under a comparable statute of another jurisdiction;

(c) The child's guardian, if it has one;

(d) If the care, custody and control of the child has been transferred to the department, any other individual, institution or agency, then the department, such other individual, institution or agency shall be named a party defendant.

(2) Each party defendant shall be brought before the court in the same manner as provided in other civil cases except that if the child to be adopted is under fourteen (14) years of age and the department, individual, institution or agency has custody of such child, the service of process upon such child shall be had by serving a copy of the summons in such action upon the department, individual, institution or agency, any provision of CR 4.04(3) to the contrary notwithstanding.

(3) If the child's natural living parents, if the child is legitimate, or if the child is born out of wedlock, its mother and if paternity is established in legal action or if an affidavit is filed stating that the affiant is father of the child, its father, are parties defendant, no guardian ad litem need be appointed to represent the child to be adopted.

Section 184. KRS 199.500 is amended to read as follows:

(1) No adoption shall be granted without the sworn consent of the living parent or parents of a legitimate child or the mother of the child born out of wedlock, or the father of the child born out of wedlock if paternity is established in a legal action or if an affidavit is filed stating that the affiant is the father of the child, except that such consent of the living parent or parents shall not be required if:

(a) Such parent or parents have been adjudged incompetent and such judgment shall have been in effect for not less than one (1) year prior to the filing of the petition for adoption;

(b) The parental rights of such parents have been terminated under KRS 199.600 to 199.630; or

(c) The living parents are divorced and the parental rights of one (1) parent have been terminated under KRS 199.600 and consent has been given by the parent having custody and control of the child.

(2) A minor parent who is a party defendant may consent to an adoption but a guardian ad litem for such parent shall be appointed.

(3) In the case of a child twelve (12) years of age or older, the consent of the child shall be given in court, provided that the court in its discretion may waive this requirement.

(4) Notwithstanding the provisions of subsection (1) of this section, an adoption may be granted without the consent of the natural living parents of a child if it is pleaded and proved as a part of the adoption proceedings that any of the provisions of subsections (1) or *(4) of KRS 199.603* [(2) of KRS 199.600] exist with respect to such child.

(5) In no case shall an adoption be granted or a consent for adoption be held valid if such consent for adoption is given prior to the fifth day after the birth of the child.

Section 185. KRS 312.035 is amended to read as follows:

Each member of the board shall serve for a term of three (3) years and until his successor is appointed and qualified. Appointments to fill vacancies shall be for the unexpired term, and shall be made in accordance with the provisions of KRS 312.015 to *312.175* [312.185].

Section 186. KRS 199.615 is amended to read as follows:

The files and records of the circuit court during proceedings for termination of parental rights shall not be open to inspection by persons other than parties to such proceedings, their attorneys, and representatives of the department for human resources except under order of the court expressly permitting inspection. Upon the entry of the final order in the case, the clerk shall place all papers and records in the case in a suitable envelope which shall be sealed and shall not be open for inspection by any person except on written order of the court; Provided, That the representatives of the department for human resources shall have access to the papers and records of the case without a written order of the court. No person having charge of any termination records shall disclose the names of any parties appearing in such records or furnish any copy of any such records. except upon order of the court which entered the judgment of termination, or as provided by KRS *199.613* [199.630]; however, this provision is not meant to prohibit the disclosure of facts necessary in order for a person to secure a court order for a copy of the termination order to be used in an adoption proceeding. The clerk of the circuit court shall set up a separate docket and order book for termination cases and these files and records shall be kept locked.

Section 187. KRS 199.896 is amended to read as follows:

(1) No person, association or organization shall conduct, operate, maintain or advertise any day-care center or home without obtaining a license as provided in KRS 199.892 to 199.896.

(2) The secretary may adopt regulations relating to license fees and may establish standards of care and service for the day-care center and procedures for enforcement of penalties.

(3) If the day-care center does not meet the standards prescribed for licensing by the secretary, a provisional license may be issued and remain in effect for a period of six (6) months.

(4) Each initial application for a license shall be made to the department and shall be accompanied by a fee of not more than thirty-five dollars ($35.00) and shall, excepting provisional licenses, be renewable upon expiration and reapplication when accompanied by a fee of not more than ten dollars ($10.00). Regular licenses and renewals thereof shall expire one (1) year from their effective date.

(5) No day-care center shall be refused a license or have its license revoked for failure to meet standards set by the secretary until after the expiration of a period not to exceed six (6) months from the date of the first official notice that the standards have not been met.

(6) All fees collected under the provisions of KRS 199.892 to 199.896 shall be paid into the state treasury and credited to a special fund for the purpose of administering KRS 199.892 to 199.896 including the payment of expenses of and to the participants in child-care workshops. Such funds collected are hereby appropriated for the use of the department.

(7) Any advertisement for child care services shall include the address of where the service is being provided.

(8) All inspections of licensed and unlicensed day care centers and homes by the department for human resources shall be unannounced.

[(9) Any person who operates a day care center or home without proper licensing shall be fined not less than one thousand dollars ($1,000) or imprisoned for not more than twelve (12) months, or be fined and imprisoned, at the discretion of the court.]

Section 188. KRS 199.990 is amended to read as follows:

(1) Any person who violates subsection (1) of KRS 199.350 shall be imprisoned in the county jail not less than ten (10) nor more than sixty (60) days, or fined not less than twenty-five dollars ($25.00) nor more than two hundred dollars ($200), or both.

(2) Any person who upon thirty (30) days' notice fails to remove a child from the state when required to do so under a bond as provided in paragraphs (c) or (d) of subsection (2) of KRS 199.350 shall forfeit one thousand dollars ($1,000), to be recovered upon the bond by a suit in the name of the county in which the bond is filed.

(3) Any person violating any of the provisions of KRS 199.380 to 199.400 shall be guilty of an offense, and upon conviction thereof, shall be fined not more than five hundred dollars ($500) or imprisoned for not more than twelve (12) months, or be both fined and imprisoned, in the discretion of the court.

(4) Any person who violates any of the provisions of KRS 199.430, 199.470, 199.473, 199.570 and 199.590, or 199.640 to 199.670, or any rule or regulation under such sections the violation of which is made unlawful shall be fined not less than five hundred dollars ($500) nor more than two thousand dollars ($2,000) or imprisoned for not more than six (6) months, or both. Each day such violation continues shall constitute a separate offense.

(5) Any person who willfully violates any other of the provisions of KRS 199.420 to 199.670 or any rule or regulation thereunder, the violation of which is made unlawful under the terms of those sections, and for which no other penalty is prescribed in those sections or in subsection (1) of this section, or in any other applicable statute, shall be fined not less than twenty dollars ($20.00) nor more than two hundred dollars ($200) or imprisoned for not more than thirty (30) days, or both.

(6) Any person who violates any of the provisions of KRS 199.896 shall be fined not less than *one thousand* [twenty] dollars *($1,000)* [($20.00) nor more than two hundred dollars ($200)] or imprisoned for not more than *twelve (12) months, or be fined and imprisoned, at the discretion of the court* [thirty (30) days, or both].

(7) Anyone knowingly and willfully violating the provisions of subsection (2) of KRS 199.335 shall be guilty of a Class B misdemeanor as designated in KRS 532.090.

(8) Any person who willfully permits, assists, or encourages the unauthorized release of any information made pursuant to KRS 199.335, or otherwise violates the provisions of subsection (9) of KRS 199.335 shall be guilty of a Class B misdemeanor as designated in KRS 532.090.

(9) Any person who willfully violates the provisions of KRS 199.463 shall be imprisoned in the county jail for a period not to exceed six (6) months or fined not more than five hundred dollars ($500), or both.

Section 189. KRS 200.080 is amended to read as follows:

(1) The department shall do all things necessary to execute the duties required by KRS 200.080 to *200.120* [200.240], and may adopt necessary rules and regulations to carry out the provisions of KRS 200.080 to *200.120* [200.240].

(2) The department may assist in the establishment of county children's bureaus, and shall cooperate with all agencies, institutions and associations concerned with the welfare of children.

(3) The department may receive both real and personal property, by gift, devise, bequest and conveyance, for the purpose of carrying out the provisions of KRS 200.080 to *200.120* [200.240]. The department

may expend out of funds so received such sums as are necessary for the treatment of children committed to its care.

Section 190. KRS 200.090 is amended to read as follows:

All physically handicapped, delinquent, neglected, dependent or defective children, whether such defect be mental or physical, under eighteen (18) years of age, are included within the provisions of KRS 200.080 to *200.120* [200.240], except children who are crippled or solely and permanently blind or solely and permanently deaf. The provisions of KRS 200.080 to *200.120* [200.240] shall not apply to children whose specific defect or condition has already been provided for through an existing agency.

Section 191. KRS 203.010 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Mentally ill person," "patient," "physician," *and* "hospital[,]" [and "state mental hospital"] have the same meaning as defined in KRS *202A.010* [202.010];

(2) "Incompetency" or "incompetent person" shall apply to a person of unsound mind who from confirmed bodily infirmity is unable to make known to others by speech, sign or otherwise his thoughts or desires and by reason thereof is unable to manage his estate, or one whose mind because of mental illness or infirmity or old age has become so disabled as to render him unable to manage his estate.

Section 192. KRS 203.018 is amended to read as follows:

No inquest shall be held unless the defendant is in court, except where it appears from an oath or affidavit of the examining physicians or from an affidavit from two (2) authorized staff physicians of an institution to which the defendant has been admitted under provisions of KRS chapters *202A* [202], 203 and 210 that the condition of the defendant is such that it will be unsafe or unwise to bring him into court.

Section 193. KRS 205.220 is amended to read as follows:

(1) Payments of public assistance grants for eligible individuals shall be made at the time and in the manner prescribed by regulation to:

(a) The needy aged or needy blind or needy permanently and totally disabled person or recipient; or

(b) The parent or relative with whom a needy child lives; or

(c) The parent or legal guardian of a blind minor; or

(d) The legal guardian of (a) or (b) above; or

(e) Such other persons on behalf of an eligible person as may be prescribed by regulation; or

(f) Committees appointed by the court and approved for payment purpose by the commissioner according to prescribed regulations.

(2) Any person who is receiving and disbursing public assistance grants on behalf of another individual eligible under this chapter shall upon request make an accounting of such funds to the Bureau in accordance with regulations. If a public assistance grant made on behalf of a needy individual is not used for the benefit of such individual, such payment shall be suspended pending reasonable assurance that future grants will benefit the individual on whose behalf such payments are made.

(3) Public assistance shall not be assignable and shall be exempt from levy or execution. Furthermore, [the provisions of KRS 30.200 notwithstanding,] no assignment, pledge or encumbrance of any right to benefits due or payable under this chapter shall be valid. Public assistance benefits, as long as they are not mingled with other funds of the recipient, shall be exempt from any remedy for the collection of all debts, liens and encumbrances. No waiver of any exemption provided for in this subsection shall be valid.

Section 194. KRS 205.231 is amended to read as follows:

(1) The commissioner shall appoint one or more impartial hearing officers [according to KRS 205.160] to hear and decide upon appealed decisions.

(2) Any applicant or recipient who is dissatisfied with the decision or delay in action on his application for public assistance or the amount granted to him may appeal to a hearing officer. On receipt of such an appeal the applicant or recipient shall be given reasonable notice and opportunity for a fair hearing. The applicant or recipient shall be promptly notified of the hearing officer's decision together with the reasons therefor.

(3) The commissioner is authorized to appoint an appeal board for public assistance composed of the commissioner and two other members. The commissioner shall be chairman and he and one other member will constitute a quorum.

(4) Any applicant or recipient who is dissatisfied with the decision of a hearing officer may appeal to the appeal board in the manner and form prescribed by regulation. The board may on its own motion affirm, modify, or set aside any decision of a hearing officer on the basis of the evidence previously submitted in such case, or direct the taking of additional evidence, or may permit any of the parties to such decision to initiate further appeals before it. The board may remove itself or transfer to another hearing officer the proceedings on any appeal pending before a hearing officer. The board shall promptly notify the parties to any proceedings of its findings and decisions.

(5) The manner in which appeals are presented and hearings and appeals conducted shall be in accordance with regulations prescribed by the commissioner for determining the rights of parties, such hearings

to be conducted in a summary manner. A complete record shall be kept of all proceedings in connection with any appeal. All testimony at any hearing upon an appeal shall be recorded either stenographically or mechanically. No hearing officer or member of the board shall participate in any hearing in which he is an interested party.

Section 195. KRS 208.370 is amended to read as follows:

In proceedings in the juvenile court, no court fees shall be charged against, and no witness fees shall be allowed to, any party to a petition. No public officer shall be entitled to receive any fee from the service of process or for attendance in court in any such proceedings. All other persons acting under orders of the court may be paid, for service of process [and attendance as witnesses], the fees provided by law for like services in civil cases in the circuit court, the payments to be made out of the county treasury. *Witnesses subpoenaed shall be allowed mileage allowance according to KRS 421.015.* The county or state may compensate any officer or person in the amount prescribed by law for the detention or return of any person to the jurisdiction of the court, and funds for this purpose may be appropriated and paid by the fiscal court.

Section 196. KRS 21.350 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, membership in the retirement system established by KRS 21.350 to 21.510 shall consist of, and be confined to, justices of the Supreme Court, judges of the Court of Appeals created by Section 111 of the Constitution of Kentucky, circuit judges, and judges of the district court, who have *elected* [made an election] to participate in accordance with KRS 21.360.

(2) Any person who was a member on December 31, 1975, by virtue of holding on that date the office of commissioner of the former Court of Appeals or director of the administrative office of the courts, shall continue in membership so long as he continues to render service in any capacity in or for the Court of Justice.

(3) The limitation of membership made by this section does not affect rights to benefits based on service rendered before the 1978 amendment to this section took effect.

Section 197. KRS 205.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 205.170 or 205.175 shall be fined not less than $50.00 nor more than $200 or imprisoned for not more than six (6) months or both.

(2) Any person who knowingly makes a false statement or representation or knowingly fails to disclose a material fact to procure, increase or continue any benefit for himself or another or who wilfully violates any of the provisions of KRS *205.170 to 205.245* [205.160 to 205.250] and KRS 205.290 to 205.310, or any rule or regulation thereunder, shall be fined not less than $10.00 nor more than $50.00, or imprisoned for not more than thirty (30) days, or both. Each false statement, representation, failure or violation and each benefit payment made in reliance on such false statement, representation, failure or violation shall constitute a separate offense.

Section 198. KRS 243.630 is amended to read as follows:

No license *issued* under KRS 243.020 to 243.670 to any person for any licensed premises shall be transferable or assignable to any other person or to any other premises or to any other part of the building containing the licensed premises, unless a transfer or assignment is authorized by the state administrator in the exercise of his sound discretion under KRS 243.640 or 243.650. For the purposes of this section each railroad dining car shall be deemed premises to be separately licensed.

Section 199. KRS 208.060 is amended to read as follows:

(1) All cases involving children brought before the court shall be granted a speedy hearing and shall be dealt with by the juvenile court at separate hearings and without a jury except that a trial by jury may be had in accordance with the provisions of KRS 208.020(3), (4) and (5). The hearings may be conducted in an informal manner. The general public shall be excluded and only the immediate families or guardians of the parties before the court, witnesses necessary for the prosecution and defense of the case, the probation worker with direct interest in the case, [those persons enumerated under KRS 208.040,] such persons admitted as the judge shall find have a direct interest in the case or in the work of the court, and such other persons as agreed to by the child and his attorney may be admitted to the hearing. Witnesses shall be admitted to the hearing only for the duration of their testimony.

(2) Juvenile proceedings shall consist of two distinct hearings, an adjudication and a disposition, which may, upon motion of the child, be held on separate days.

(a) The adjudication shall determine the truth or falsity of the allegations in the petition and shall be made on the basis of an admission or confession of the child to the court or by the taking of evidence.

(b) Upon motion by any child brought before the court on a petition under KRS 208.020(1)(a), (b), or (c), the Rules of Criminal Procedure shall apply to all matters involved in the adjudication of the case. All adjudications shall be supported by evidence beyond a reasonable doubt.

(c) After adjudication, a determination by the court that detention pending disposition is necessary shall be based on a finding of the court by a preponderance of the evidence that the circumstances surrounding the child are such as to endanger his safety or welfare or that of the community.

(d) The disposition shall determine the action to be taken by the court on behalf of, and in the best interest of, the child. Unless the provisions of subsections (3) and (4) are observed by the court, the disposition shall be limited to an informal adjustment of the matter between the parties and the court. The provisions of subsections (3) and (4) shall be conditions precedent to any commitment, court-ordered probation, restitution, or other disposition enforceable by the authority of the court. No public or private agency or body, or party before the court, shall participate in any order of the court unless it receives from the court a verified statement, signed by the juvenile judge, that the rights enumerated in subsections (3) and (4) were granted to the child during the proceedings in juvenile court.

(3) Before commencing a hearing and proceeding to determine the truth or falsity of the allegations in a petition filed with the court under KRS 208.020(1)(a), (b), or (c), the court shall decide, on the basis of a preliminary inquiry made by the court, whether or not the best interest of the child indicates that the petition should be dismissed and the child's case adjusted informally among the parties. An informal adjustment may be made at any time during the proceedings. All petitions brought under KRS 208.020(1)(a), (b), or (c) shall receive this consideration by the court. No petition shall be brought against the child as a result of information given to the court by the child as part of an informal adjustment. If the court finds it necessary to extend the discussion, during an informal adjustment, beyond the immediate subject matter of the complaint before it, the child and his parents, relative, guardian, or custodian shall be advised of all the rights under this subsection. If the court determines that a formal proceeding is required to determine the truth or falsity of the allegations against the child, a petition, sworn to by the complainant, shall be required pursuant to KRS 208.070(1) and (2), and the court shall, when the child is brought before the court:

(a) Explain to the child and his parents, relative, guardian, or custodian their respective rights to counsel and, if the child and his parents, relative, guardian, or custodian are unable to obtain counsel, shall appoint counsel for the child and may appoint counsel for the parents, relative, guardian, or custodian;

(b) Explain the privilege against self-incrimination by saying that the child, parents, relative, guardian, or custodian may remain silent concerning the charges against the child, and that anything said may be used against the child and result in his commitment to the department or an institution for juvenile delinquents;

(c) Explain the right to confront anyone who has accused the child and to cross-examine that person on the allegations made against the child;

(d) Advise the child and his parents, relative, guardian, or custodian of the right to appeal from a determination of the court;

(e) Advise the child that these rights belong to him and may not be waived by his parents, relative, guardian, or custodian.

(4) At the disposition of a child adjudicated on a petition brought pursuant to KRS 208.020(1)(a), (b), or (c), all information helpful in making a proper disposition, including oral and written reports, may be received by the court in compliance with KRS 208.060(2)(d) and relied upon to the extent of their probative value, provided that the parties or their counsel shall be afforded an opportunity to examine and controvert the reports and cross-examine the individuals making the reports.

(5) In the case of any child brought before the court on a petition under KRS 208.020(1)(d), the rules of evidence and procedure described in subsection (3) of this section shall apply.

Section 200. KRS 210.057 is amended to read as follows:

(1) The state department of mental health shall conduct research into all aspects of *controlled substances* [dangerous drugs] as defined in KRS *218A.010* [217.725] in coordination with the Kentucky board of pharmacy.

(2) The department of mental health may authorize persons engaged in research on the use and effects of dangerous substances to withhold the names and other identifying characteristics of persons who are subjects of such research. Persons who obtain this authorization may not be compelled in any state civil, criminal, administrative, legislative, or other proceeding to identify the subjects of research for which such authorization was obtained.

(3) The department of mental health may authorize the possession and distribution of controlled dangerous substances by persons engaged in research. Persons who obtain this authorization shall be exempt from state prosecution for possession and distribution of dangerous substances to the extent authorized by the department of mental health.

Section 201. KRS 210.270 is amended to read as follows:

(1) The secretary for human resources is authorized to designate such private homes, private nursing homes and private institutions as he shall deem, after a thorough investigation of the personal and financial qualifications of the owners and tenants, the facilities and management, and the desirability of the location of such homes, to be suitable for the placement of patients, including the mentally ill and mentally handicapped and retarded of all ages, outside of the state mental hospitals. The secretary for human resources is authorized to prescribe, from time to time by regulation, standards for the selection and operation of private homes, private nursing homes and private institutions designated for the placement of patients. No home of an officer or employe of the department for human resources or of a member of his immediate family shall be designated for the placement of patients.

(2) Whenever the staff of a state mental hospital has determined that a patient who is not being held on an order rising out of a criminal offense has sufficiently improved and is not dangerous to himself or other persons, and that it would be in the patient's best interest to be placed outside of the hospital in a private home or private nursing home, the hospital shall so certify to the secretary for human resources, who may then authorize the patient to be transferred to a designated private home or private nursing home for care and custody for such length of time as the secretary deems advisable.

(3) No mentally retarded patient lodged in a state institution may have his level of care reclassified nor may he be transferred to a private nursing home or other private institution without first providing ten (10) days notice by registered or certified mail return receipt requested to the patient's parents or guardian or committee that a reclassification of the patient's level of care or a transfer in the place of residence is being considered.

(4) Any parent or guardian or committee of any mentally retarded patient lodged in a state institution may participate in any evaluation procedure which may result in a reclassification of such patient's level of care or in a transfer in the place of residence of such patient. Such participation may include the submission by the parents or guardian or committee of medical evidence or any other evidence deemed relevant by the parents or guardian or committee to the possible reclassification or transfer of such patient.

(5) If the decision to reclassify or transfer any mentally retarded patient is adverse to the best interests of such patient as expressed by the parents or guardian or committee, they shall be given notice by registered or certified mail return receipt requested that they are entitled to a thirty (30) day period from the receipt of such notice to file with the secretary for human resources a notice of appeal and application for a hearing.

(6) The appeal shall be heard by a three (3) member panel composed of a designated representative of the department for human resources, a designated representative of the state institution where the mentally retarded patient is presently lodged, and a designated neutral representative appointed by the county judge/executive wherein the institution in question is located.

(7) Decisions made by the panel may be appealed, within thirty (30) days from the date of decision, to the circuit court of the county wherein the state institution in question is located, to the circuit court of the county wherein either of the parents or guardians or committee of the patient in question is domiciled at the time of the decision, or to Franklin Circuit Court.

(8) All parents or guardians or committee of a mentally retarded patient lodged in a state institution shall be fully apprised by the department for human resources of their rights and duties under the provisions of subsections (3), (4), (5), (6), and (7) of this section.

(9) The provisions of KRS *210.700 to 210.760* [210.275, 203.080, 210.310, and 210.320] shall apply to patients transferred to designated private homes and private nursing homes as though such patients were residing in a state mental hospital.

Section 202. KRS 210.272 is amended to read as follows:

The commissioner of mental health may purchase up to seven (7) days of treatment for involuntarily hospitalized patients in affiliated hospitals at a rate not to exceed cost plus five per cent (5%). Charges for such treatment shall be recoverable from the patient or his relatives under KRS *210.700 to 210.760* [210.310 and 210.320].

Section 203. KRS 211.090 is amended to read as follows:

The Secretary shall:

(1) Appoint county and district boards of health pursuant to KRS 212.020 and *212.850* [212.030];

(2) Hear and decide appeals from rulings, decisions and actions of the department, where the aggrieved party makes written request therefor to the Secretary within thirty (30) days after the ruling, decision or action complained of;

(3) Adopt rules and regulations necessary to regulate and control all matters set forth in KRS 211.180 to the extent the regulation and control of same have not been delegated to some other agency of the Commonwealth and adopt such other rules and regulations as may be necessary to effectuate the purposes of this chapter and any other law relating to public health, except as otherwise provided by law;

(4) Issue or deny hospital licenses;

(5) Approve or disapprove the establishment of proposed hospital service corporations and contracts for hospital service corporations and contracts for hospital services pursuant to KRS 304.32-030;

(6) Approve or disapprove of the establishment of proposed medical service plan corporations and contract for medical services pursuant to KRS 304.32-050, 304.32-140, and 304.32-160;

(7) Enforce the provisions of KRS 311.250, 311.260, 311.375, 311.376.

Section 204. KRS 211.184 is amended to read as follows:

(1) It shall be the duty of the department to enforce the provisions of KRS 211.182, and for that purpose the investigators, inspectors, representatives and agents of the board and the department shall have the full power and authority of peace officers in this state, and shall have the power and authority to administer oaths, to enter upon premises at all times for the purpose of making inspections, to seize evidence, to interrogate all persons, and to require the production of books, papers, documents or other evidence.

(2) The board may institute, in its own name, proceedings to enjoin and restrain violations of KRS 211.182, regardless of whether the defendant has been convicted of violation of the penal provisions thereof, and shall not be required to pay any costs or filing fees or furnish any bond in connection therewith. Violation of injunctions and restraining orders shall be punished as a contempt without the intervention of a jury[, and the court's discretion concerning the degree of punishment shall not be subject to the provisions of KRS 432.260].

Section 205. KRS 211.300 is amended to read as follows:

(1) In enacting legislation relating to loans and scholarships for the study of medicine, it is the intention of the general assembly to alleviate the shortage of physicians engaged in public health work.

(2) As used in KRS 211.300 to 211.330, unless the context requires otherwise, "department" means the state department for *human* [natural] resources.

Section 206. KRS 211.890 is amended to read as follows:

The state board of health is authorized to fix a reasonable schedule of fees and charges, by regulation, to be paid by applicants for examinations, certificates, and renewal certificates. All such fees and charges and other moneys collected by the state department of health under the provisions of KRS 211.870, 211.890 or the rules and regulations adopted under KRS 211.870, 211.890 shall be paid into the state treasury and credited to a trust and agency fund to be used by the state department of health in carrying out the provisions of KRS *211.870 and* [211.860 to] 211.890.

Section 207. KRS 212.636 is amended to read as follows:

(1) The board shall establish the compensation plan for all employes of the department, and such compensation shall be as nearly comparable as practicable with the compensation paid to and received by employes in comparable agencies.

(2) The employes of the department shall be employed and governed in accordance with a merit system. The board shall provide for the recruitment, examination, appointment, promotion, transfer, layoff, removal, discipline, compensation, and welfare of the department's employes by establishing a system of personnel administration based on merit principles and scientific methods whereby the rules and regulations of such system shall not be less stringent than those of the merit system of the department for human resources. Such system shall include a personnel board of five (5) members appointed by the board for two (2) year terms. The board shall select as members of the personnel board public spirited citizens of recognized experience in the improvement of public administration and in the impartial selection of efficient public personnel. The personnel board shall be responsible for establishing rules and regulations for the purpose of governing the administration of the personnel system. The commissioner shall function as appointing authority in and with respect to the personnel matters of the board. The board shall have one (1) year July 1, 1977 to implement such a system.

(3) Notwithstanding the provisions of KRS 61.510 to *61.692* [61.700] and 78.510 to *78.852* [78.991], on July 1, 1977, all regular full-time present and future public health employes of the department shall be included within the provisions of the state retirement system.

(4) When the board is qualified and organized as herein provided, all city-county department of health employes at that time shall be transferred to and continued in the service of the department created under KRS 212.626 to 212.639. Provided, however, that any and all of such employes who at that time are in the classified service of the city-county department of health shall be continued in the classified service of the department with the same status they have had in the classified service of the city-county department of health.

Section 208. KRS 215.520 is amended to read as follows:

The Secretary for Human Resources shall discharge all duties relating to all matters of tuberculosis control, including but not limited to the following:

(1) The operation of all hospitals previously operated by the State Tuberculosis Hospital Commission, or such of them as it determines to be necessary for the care of persons needing treatment for tuberculosis;

(2) The treatment of persons having tuberculosis in hospitals not operated by the Commonwealth, by contract or other suitable arrangement and the payment therefor;

(3) The construction of additional facilities for the treatment of tuberculosis in cooperation with, or as a part of, privately or publicly owned hospitals;

(4) The operation of a system of out-patient clinics and x-ray facilities, adequately supported by high quality laboratory facilities;

(5) The provision of training for employes;

(6) The supervision of activities of all local health departments regarding tuberculosis control;

(7) The adoption of regulations for tuberculosis control;

(8) The maintenance of a central register of all known cases of tuberculosis in the Commonwealth, and such local registers as are desirable, and the collection, collation, analysis and publication of statistics and other information;

(9) The establishment and supervision of tuberculosis programs in cooperation with the Department of Corrections, Department of Education, and other state agencies within their respective jurisdictions;

(10) The establishment within the Department of appropriate social service and financial responsibility appraisal methods to insure that tuberculosis patients or suspects receive all possible support from third-party payors, or from the medical assistance program before becoming a charge against the tuberculosis control funds of the Commonwealth;

(11) The dissemination of educational materials to the citizens of the Commonwealth regarding tuberculosis and its control;

(12) The initiation of special programs and demonstrations in cooperation with agencies of the federal government, universities, voluntary agencies and other individuals or corporations;

(13) The provision of direct assistance to local health departments, to other agencies of state government, and to other organizations to assist them in carrying out programs of tuberculosis control;

(14) Except as otherwise provided by law, to do all other things reasonably necessary to carry out the intent of *this section and* KRS *215.530* [215.510] to 215.600.

Section 209. KRS 215.530 is amended to read as follows:

(1) The tuberculosis commission shall consist of nine (9) members. The commissioner of health shall be an ex officio member and the other eight (8) members shall be appointed by the governor for terms of four (4) years each or until their successors are appointed and qualify, except that of the four (4) members first appointed by the governor, one (1) shall be appointed for a term of one (1) year, one (1) shall be appointed for a term of two (2) years, one (1) shall be appointed for a term of three (3) years, and one (1) shall be appointed for a term of four (4) years. Except as hereinabove provided, the appointive members shall include: four (4) physicians appointed from a list of three (3) nominees for each position submitted by the Kentucky medical association; one (1) local health officer, appointed from a list of three (3) nominees submitted by the commissioner of health; one (1) registered nurse, appointed from a list of three (3) nominees submitted by the Kentucky nurses' association; one (1) member appointed from a list of three (3) nominees submitted by the Kentucky tuberculosis and respiratory disease association and one (1) citizen at large. Provided, however, That the four (4) appointed members of the former state tuberculosis hospital commission shall immediately, upon July 1, 1970, become members of the tuberculosis commission for the remainder of their appointed terms and shall be eligible for reappointment once. Appointive members shall not be eligible to serve more than two (2) consecutive terms.

(2) The commission shall annually elect a chairman from its membership, for a term of one (1) year. No member shall serve more than two (2) successive terms as chairman. The commission shall meet regularly and at the call of the chairman or upon written request of a majority of the commission members, at such time and place as is designated in the call.

(3) The members of the commission, other than the commissioner of health, shall be reimbursed for their actual and necessary expenses in attending meetings of the commission and otherwise in performing their duties.

(4) The function of the commission shall be to study all aspects of tuberculosis control and to propose regulations to the state board of health to further the policies and objectives of KRS *215.520* [215.510] to 215.600.

Section 210. KRS 215.560 is amended to read as follows:

Whenever a health officer, physician, member of the family or other person has reasonable cause to suspect that a person has tuberculosis and that such person has failed to comply with the provisions of KRS *215.520* [215.510] to 215.600 he may make an affidavit before any court reciting such facts and circumstances and the court shall thereafter direct that the person suspected of being afflicted with communicable tuberculosis submit to an examination either by a licensed practicing physician of his own choice at his own expense or by a physician appointed by the local health department at the expense of the county. The examination shall include both physical and laboratory examinations and shall be conducted according to such rules and regulations as may be promulgated by the department for human resources and shall be reported upon forms furnished by said department.

Section 211. KRS 215.580 is amended to read as follows:

The city, county and commonwealth's attorneys and the attorney general, within their respective jurisdictions, shall represent the affiant in the enforcement of the provisions of KRS *215.520* [215.510] to 215.600. However, a county health department may employ an attorney to represent it in proceedings under KRS *215.520* [215.510] to 215.600 and pay such attorney reasonable compensation therefor from any unexpended funds at its disposal.

Section 212. KRS 215.590 is amended to read as follows:

(1) It shall be the responsibility of every physician, hospital, nursing home, personal care home, or other institution or any other person who has knowledge of any person who has tuberculosis, to report such to the local health department in accordance with the rules and regulations of the state board of health.

(2) No legal action shall lie against any physician, hospital employe, laboratory employe, or other person who, in good faith, reports a case of tuberculosis or the isolation of the tubercule bacillus as provided in KRS *215.520* [215.510] to 215.600.

Section 213. KRS 215.600 is amended to read as follows:

KRS *215.520* [215.510] to 215.600 may be cited as the "State Tuberculosis Control Act of 1970."

Section 214. KRS 216.750 is amended to read as follows:

As used in KRS 216.750 to 216.780:

(1) "Nursing home" *means a facility which provides routine medical care in which physicians regularly visit patients, which provides nursing services and procedures employed in and caring for the sick which require training, judgment technical knowledge, and skills beyond that which the untrained person possesses, and which maintains complete records on patient care* [and "personal care home" have the meaning that they are given in KRS 216.610];

(2) *"Personal care home" means a place devoted primarily to the maintenance and operation of facilities for the care of aged or invalid persons who do not require intensive care normally provided in a hospital or nursing home but who do require care in excess of room, board and laundry."*

(3) "Fund" means the nursing home and personal care home loan fund;

(4)[(3)] "Secretary" means the secretary for human resources.

Section 215. KRS 216.780 is amended to read as follows:

The board shall promulgate regulations governing the granting of loans under KRS 216.750 to 216.780. The regulations shall provide:

(1) The rate of interest to be charged.

(2) Whether security is to be required, and if so, the amount and kind of security.

(3) Standards for determining the feasibility and soundness of projects.

(4) The form and content of applications.

(5) Percentage of total project cost to be loaned in each category authorized.

(6) Other matters that the board determines necessary to carry out the purposes of KRS 216.750 to 216.780 [or the purposes expressed in KRS 216.620].

Section 216. KRS 216.847 is amended to read as follows:

By January 30 each year the authority shall make an annual report of its activities for the preceding calendar year to the governor and to the general assembly. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The authority shall provide for an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or operation of the project. Such audits shall be public records within the meaning of KRS *61.870(2)* [171.650].

Section 217. KRS 217.640 is amended to read as follows:

Jurisdiction in all matters pertaining to the distribution, sale and transportation of pesticides is by KRS *217.542* [217.540] to 217.640 vested exclusively in the secretary and all acts and parts of acts inconsistent with KRS 217.540 to 217.640 are hereby expressly repealed including the provisions of KRS 217.400 which cover economic poisons subject to KRS 217.540 to 217.640.

Section 218. KRS 217.670 is amended to read as follows:

A hazardous substance is hereby declared to be misbranded when intended for household use if it fails to bear a label:

(1) Which states conspicuously:

(a) The name and place of business of the manufacturer, packer, or distributor;

(b) The common or usual name, or the chemical name (if there be no common or usual name), or the recognized generic name (not trade name only) of the hazardous substance or of each component which contributes substantially to its hazard;

(c) One (1) of the following signal words: "danger," "warning," or "caution";

(d) When necessary, an affirmative statement of the principal hazard or hazards such as "flammable," "vapor harmful," "causes burns," "absorbed through skin," or similar wording descriptive of the hazard;

(e) Precautionary measures describing the action to be followed or avoided;

(f) Instructions, when necessary, for the first-aid treatment in case of contact or exposure if the substance is hazardous through contact or exposure;

(g) The word "poison" for any toxic substance which is defined as poisonous by the rules and regulations of the board under the provisions of KRS 217.650 to 217.710;

(h) Instructions for handling and storage of packages which require special care in handling or storage; and

(i) The statement "Keep out of reach of children" or its practical equivalent;

(2) On which any statements required under subsection (1) are not located prominently and are not in English in legible type in contrast by typography, layout, or color, with other printed matter on the label;

Provided, however, That the board may by regulations provide for minimum information which shall appear on the labels for small packages, which labels need not include all of the information required by this section; Provided further, That the board may provide for less than the foregoing statement of the hazard or precautionary measures for labels of hazardous substances presenting only minor hazards; and a package shall not be deemed misbranded under the provisions of KRS 217.650 to 217.710 if it is a substance subject to the federal insecticide, fungicide, and rodenticide act (61 stat. 163, 7 USC 135 et seq.); the federal food, drug and cosmetic act (52 stat. 1040 et seq., title 21 USC 301 et seq.); the Kentucky pesticide act (KRS *217.542* [217.540] to 217.640); KRS 217.005 to 217.215, or to packages or substances intended for use in agriculture or horticulture for industrial or related uses.

Section 219. KRS 217B.550 is amended to read as follows:

The following acts are declared to be a violation of KRS 217B.515 to 217B.585:

(1) Making any material representation for the purpose of defrauding the public, or using any method or material that is not reasonably suited for the purpose for which it was employed, by any licensed applicator, manager or his solicitor or agent.

(2) Failure of a licensed operator or manager to comply with any of the provisions of this chapter or any reasonable rule or regulation promulgated by the department.

(3) Failure to pay any final judgment rendered against any licensed operator or manager, his employe, solicitor or representative by reason of liabilities resulting from activities under KRS 217B.515 to 217B.585.

(4) Failure to make the registration and pay the annual licensing fees as required by KRS 217B.535.

(5) Failure to attend training courses approved by the department on recommendation of the pest control advisory board as specified by the Kentucky state plan.

(6) The making of false or fraudulent claims through any media, misrepresenting the effect of materials or methods to be utilized.

(7) The making of a pesticide recommendation or application not in accordance with the label registered by the department under KRS *217.542* [217.540] to 217.640.

(8) The application of known improper materials.

(9) Knowingly operating faulty or unsafe equipment.

(10) Knowingly operating in a faulty, careless or negligent manner.

(11) Failure to keep and maintain the records required by KRS 217B.510, or to make reports when and as required.

(12) The making of false or fraudulent records, invoices or reports.

(13) Engaging in the business of the application of a pesticide without having a licensed applicator or operator in direct supervision.

(14) Using fraud or misrepresentation in making an application for a license or renewal of a license.

(15) Failure to comply with any limitations or restrictions on or in a duly issued license, permit or certification.

(16) Aiding or abetting a licensed or an unlicensed person to evade the provisions of KRS 217B.515 to 217B.585, combining or conspiring with such a licensed or an unlicensed person to evade the provisions of KRS 217B.515 to 217B.585, or allowing one's license to be used by an unlicensed person.

(17) The making of false or misleading statements during or after an inspection concerning any infestation or infection of pests found on land.

(18) Impersonating any state, county or city inspector or official.

Section 220. KRS 222.031 is amended to read as follows:

(1) The department for human resources is further designated to carry out the planning activities of the Commonwealth in the field of alcoholism and other drug abuse and addiction and to provide assistance to the activities of other state agencies in combating the problems of alcoholism and other drug abuse and addiction, as they may affect those state agency programs or persons under their respective charge and care.

(2) To implement the coordination of state agencies' alcoholism programs, there is hereby established an interagency council on alcoholism which shall be composed of, but not restricted to, a representative from each of the following departments: human resources, justice, education, labor, and personnel. The individual of each department named to the council shall designate a representative from his department to the interagency council on alcoholism. The designated representative shall be the staff member charged with alcoholism program responsibility within that department.

(3) A coordinator shall be appointed in the department for human resources to implement the interagency council on alcoholism to conduct ongoing activities of the council to develop coordination and planning between the department for human resources and agencies represented on the interagency council of alcoholism.

(4) To implement the coordination of state agencies' drug programs there is hereby established an interagency council on drug abuse which shall be composed of, but not restricted to, a representative from each of the following departments: department for human resources, justice, education, labor, and personnel.

The individual of each department named to the council shall designate a representative from his department to the interagency council on drug abuse. The designated representative shall be the staff member charged with drug abuse program responsibility within that department.

(5) A coordinator shall be appointed in the department for human resources to implement the interagency council on drug abuse to conduct ongoing activities of the council to develop coordination and planning between the department for human resources and the agencies represented on the interagency council of drug abuse.

(6) The provisions of this section [and KRS 222.020 and 222.035] shall be in addition to any present statutory responsibility given to state departments.

Section 221. KRS 224.225 is amended to read as follows:

Nothing in KRS 224.223 to 224.237 shall be construed to require a business license for:

(1) A property owner to clean his own septic tank, seepage pit or cesspool.

(2) A municipality servicing and maintaining a public sewage treatment facility.

(3) A plumber, duly qualified and licensed under the laws of the state of Kentucky, except that vehicles which are used as defined in KRS *224.223* [224.220] to 224.237 shall be licensed as provided.

Section 222. KRS 227.491 is amended to read as follows:

(1) An electrical inspector who certifies an electrical installation shall furnish and attach an approval sticker, bearing his signature and certification number in a conspicuous place on the main service entrance equipment. He shall also provide the owner of the electrical installation or his authorized agent with a certificate of approval if the same is requested. A complete record of each inspection shall be kept by the inspector and these records shall be made available to the *department of housing, buildings and construction* [public service commission] upon its request.

(2) No electrical inspector shall attempt to supplant, overrule or otherwise invalidate the judgment of another electrical inspector whose services for a particular building, structure or other project have been solicited by an owner, contractor, municipality or other person without first obtaining express written consent from the designated inspector's office supervising the original inspector. Failure of an electrical inspector to observe this provision shall subject said inspector to review by the commissioner of housing, buildings and construction with possible suspension of certification for a period not to exceed one (1) year from date of the commissioner's ruling.

Section 223. KRS 230.362 is amended to read as follows:

Beginning July 1, 1978, any person holding unclaimed pari-mutuel winning tickets presumed abandoned under the provisions of KRS *230.361* [230.340] shall file annually, on or before September 1 of each year, with the office of the commission a list of and the amounts represented by unclaimed pari-mutuel tickets held by such person as of July 1, and such other information as the commission may require for the administration of KRS 230.361 to 230.373. The report shall be made in duplicate; the original shall be retained by the commission and the copy shall be mailed to the sheriff of the county where the unclaimed pari-mutuel tickets are held. It shall be the duty of the sheriff to post for not less than twenty (20) consecutive days said copy on the courthouse door or the courthouse bulletin board, and to publish said copy in the manner set forth by KRS Chapter 424. The cost of the publication shall be paid by the commission. The sheriff shall immediately certify in writing to the commission the dates when the list was posted and published. The list shall be posted and published as required on or before October 1 of the year when it is made, and such posting and publishing shall be constructive notice to all holders of pari-mutuel tickets which have remained unclaimed for a period of two (2) years from the time the ticket became payable.

Section 224. KRS 230.990 is amended to read as follows:

(1) Any person who violates KRS 230.070 or subsection (3) of KRS 230.080 shall be fined not more than one thousand dollars ($1,000). In addition to the fine, he shall be imprisoned in the county jail for not more than one (1) year or imprisoned in the penitentiary for not more than two (2) years.

(2) Any person who violates KRS 230.090 shall, for each offense, be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both fined and imprisoned.

(3) Any person who violates [subsection (2) of] KRS *230.680* [230.130] shall be fined not less than five hundred (500) nor more than one thousand dollars ($1,000) for each day of the meeting or racing.

(4) Any person who refuses to make any report or to turn over sums as required by KRS 230.361 to 230.373 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), or imprisoned for not less than thirty (30) days nor more than six (6) months, or both.

Section 225. KRS 241.060 is amended to read as follows:

The board shall have the following functions, powers and duties:

(1) To adopt reasonable regulations governing the procedure relative to applications for and revocations of licenses and relative to all other matters over which the board has jurisdiction, and for the supervision and control of manufacture, sale, transportation, storage, advertising and trafficking of alcoholic beverages. Regulations need not be uniform in their application, but may vary in accordance with reasonable classifications;

(2) To limit in its sound discretion the number of licenses of each kind or class to be issued in this state or any political subdivision, and restrict the locations of licensed premises. To this end the board may make reasonable division and subdivision of the state or any political subdivision into districts. Regulations relating to the granting, refusal and revocation of licenses may be different within the several divisions of subdivisions;

(3) To hold hearings, subpoena witnesses, compel their attendance, administer oaths, examine any person under oath and require the production of any books or papers relative to the inquiry, regardless of whether the witnesses are licensees. The power provided in this subsection may be delegated by the board to any member or employe of the department. Provisions of the Rules of Civil Procedure shall apply to subpoenas issued pursuant to this subsection, but such subpoenas shall be effective throughout the state and shall be enforceable by petition to a court of competent jurisdiction. The department may pay witnesses the per diem and mileage provided in KRS *421.015* [421.010];

(4) To conduct hearings and appeals under KRS 241.150, 241.200, 243.470 and 243.520 and render decisions upon the subjects of the hearings and appeals;

(5) To suspend, revoke or cancel for cause, after a hearing, any license issued under KRS 243.020 to 243.670;

(6) If violation of KRS chapter 241, KRS 243.020 to 243.670 or KRS chapter 244 has taken place on the premises within the knowledge of the owner, or was committed or permitted in or upon premises owned by a licensee, the board shall prohibit the issuance of a license for the premises until the expiration of two (2) years from the time the offense was committed;

(7) To suspend a license for any cause for which the board is authorized to exercise its discretion as to revoking a license;

(8) To make rules and regulations and to provide forms that may be necessary to regulate the alcoholic beverage industry and to make KRS 244.380 to 244.470 effective.

Section 226. KRS 242.120 is amended to read as follows:

Any qualified voter may demand a recount of the ballots or contest the election in the same manner as is provided for the recount of ballots or contest of general elections of county officers by KRS *120.155 to 120.185* [122.070 to 122.100]. The members of the county board of election commissioners shall be named as contestees and summons shall be served upon them. Any qualified voter may intervene as contestee by filing a petition to be made a party in the action.

Section 227. KRS 242.1294 is amended to read as follows:

The proposition to be voted on in any election held pursuant to KRS *242.1293* [242.127] and this section shall be: "Are you in favor of the sale of distilled spirits, wine and malt beverages by the drink for consumption on the premises in (name of county or city) by hotels, motels and inns containing not less than fifty (50) sleeping units and having dining facilities for not less than 100 persons and in restaurants having dining facilities for not less than 100 persons?" There shall be two (2) places on the ballot for registering votes, one (1) for votes favoring the proposition which shall be designated by the word "yes", and one (1) for votes opposing the proposition which shall be designated by the word "no". Each voter shall designate his vote by the word "yes" or the word "no".

Section 228. KRS 243.010 is amended to read as follows:

(1) As used in KRS 243.020 to 243.710, unless the context requires otherwise, the words and terms defined in KRS 241.010 have the meaning given to them in KRS 241.010, except that in KRS *243.710 to 243.850* [243.680 to 243.870] the word "department" means the department of revenue, and the word "commissioner" means the commissioner of revenue.

(2) As used in KRS 243.720 to 243.850, unless the context requires otherwise:

(a) "Alcohol," "alcoholic beverage," "bottling," "licensee," "malt beverage" and "manufacturer" have the meaning given to them in KRS 241.010 and "department" means the department of revenue.

(b) "Distilled spirits" means any alcoholic beverage, except malt beverages and wine.

(c) "Retail container" means any bottle, can, barrel or other container which, without a separable intermediate container, holds alcoholic beverage and which is suitable and destined for sale to a retail outlet, whether it is suitable for delivery to the consumer or not.

(d) "Retail outlet" means retailers, hotels, restaurants, railroad dining cars, clubs and any person who sells alcoholic beverages to consumers or to any person other than a manufacturer licensed by this state or some other state or a wholesaler licensed by this state or some other state or a retail outlet licensed by this state or some other state or a state alcoholic beverage corporation.

(e) "Retail sale" means sale by a retail outlet.

(f) "Wholesaler" means any person who distributes alcoholic beverages for the purpose of being sold at retail, but it shall not include a subsidiary of a manufacturer or cooperative of retail outlet.

(g) "Wine" means the product of the normal alcoholic fermentation of the juices of fruits, with the usual processes of manufacture and normal additions, and includes champagne, sparkling and fortified wine of an alcoholic content not exceeding twenty-four per cent (24%) by volume. It includes preparations or mixtures vended in retail containers if such preparations or mixtures contain not exceeding fifteen per cent (15%) of alcohol by volume.

Section 229. KRS 243.230 is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first, second or third class, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 [to 70.570] and KRS 70.150 to 70.170.

(2) Notwithstanding any other provision of law, a special license to sell distilled spirits and wine by the drink for consumption on the premises may be issued for premises located within a city of the fourth class in which the majority of votes cast in the most recent election held pursuant to KRS 242.127 and 242.129 were in favor of the proposition voted upon provided the city has an adequate police force under KRS 95.700 to 95.710 and KRS 95.720 to 95.787.

(3) Licenses to sell distilled spirits or wine by the package may be issued only for premises located within incorporated cities, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 to 70.570 and KRS 70.150 to 70.170.

(4) Notwithstanding subsection (3), the board may, after a field investigation, issue a license to sell distilled spirits and wine by the package at premises not located within any city if:

(a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed; and

(c) The part of any premises to be licensed under this subsection which is available to the public shall not, except in the case of a drug store, exceed one hundred square feet of floor space and shall not contain any chairs, benches, stools or similar furniture or fixtures.

(5) No retail package or drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries or gasoline and lubricating oil.

Section 230. KRS 246.220 is amended to read as follows:

(1) No person shall in any way hinder, refuse or defeat entrance or inspection by an agent of the department who is performing the duties of his office for the purpose of combating the European corn borer under subsection (1) of KRS 246.210.

(2) No person shall interfere in any way with the board or any of its members or representatives in the inspection of premises and livestock, or in the testing of livestock on any premises when the object of the inspection or testing is to determine the existence of or to combat in any way, communicable disease in livestock. No person shall interfere in any way with the board or any of its members or representatives in the removal from any premises of livestock found to be infected with a communicable disease.

(3) No person shall hinder the efforts of the state entomologist or his agents in combating Japanese beetles under KRS 246.210 and 249.200.

(4) No person shall hinder the entomologist in the performance of any of his duties as state inspector of apiaries.

(5) No person shall interfere in any way with inspectors or assistants while they are discharging their duties under KRS 250.020 to 250.170.

(6) No person shall hinder, prevent or attempt to prevent any person from discharging his duties under KRS *250.491 to 250.631* [250.240 to 250.270 and 250.290 to 250.350].

(7) No person shall in any way impersonate, hinder or obstruct the department or its inspectors in the performance of their official duties under KRS 248.280 to 248.440 or 261.220.

Section 231. KRS 249.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 249.020 to 249.100 or hinders the carrying out of any of the provisions of those sections shall be fined not less than twenty-five dollars ($25.00) nor more than five hundred dollars ($500).

(2) Any fine imposed for a violation of subsection (3) of KRS 249.070 may be recovered in the county in which the nursery is situated or the county to which the nursery stock is shipped.

(3) [Any person in charge of trees who fails to remove and destroy trees or parts of trees when required to do so under KRS 249.160 shall be fined not more than twenty-five dollars ($25.00), or confined in the county jail for not more than ten (10) days, or both. Fines collected under this subsection shall be paid into the county treasury.

(4)] Any person who knowingly neglects or refuses to comply with the provisions of KRS 249.180 or 249.190 shall be fined five dollars ($5.00).

[(5) Any person who violates any provision of a quarantine under KRS 249.210 or 249.220 or any regulations issued supplemental to such a quarantine shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100).

(6) Any person violating any of the provisions of KRS 249.250 to 249.340 or any lawful order, rule or regulation of the department made under the provisions of KRS 249.250 to 249.340 shall be fined not less than one hundred dollars ($100) for the first offense and not less than two hundred dollars ($200) for each subsequent conviction, or not less than thirty (30) days nor more than one (1) year in jail, or both.]

Section 232. KRS 250.080 is amended to read as follows:

The label specified in KRS 250.040 [to 250.060] shall be delivered to the purchaser with every sale of agricultural seed, if the sale amounts to one (1) pound or more, whether the sale is in bulk or in package.

Section 233. KRS 257.160 is amended to read as follows:

(1) All carcasses of domestic animals which have died or which have been destroyed on account of any disease, except those destroyed on account of tuberculosis and slaughtered under the supervision of the state veterinarian or other representative of the board, [and except those ordered destroyed under KRS 257.090 unless otherwise ordered by the board,] shall be disposed of by:

(a) Complete cremation of the entire carcass and all of its parts and products;

(b) Boiling the carcass and all of its parts and products in water or heating it with steam at a temperature above boiling, continuously for two (2) hours or more; or

(c) Burying the carcass and all of its parts and products in the earth at a point which is never covered with the overflow of ponds or streams and which is not less than one hundred (100) feet distant from any watercourse, well, spring, public highway, residence or stable. The carcass shall be placed in an opening in the earth at least four (4) feet deep, the abdominal and thoracic cavities opened wide their entire length with a sharp instrument, and the entire carcass covered with two (2) inches of quicklime and at least three (3) feet of earth.

(2) The owner shall dispose of the carcass of a domestic animal, as provided in subsection (1), within forty-eight (48) hours after the carcass is found.

Section 234. KRS 257.990 is amended to read as follows:

(1) Any person who violates any regulation promulgated by the board under the provisions of this chapter, for the violation of which no other penalty is provided in this section, shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for the first offense; for each subsequent offense he shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or be imprisoned not more than thirty (30) days, or both.

(2) Any person who violates KRS 257.040 shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000).

(3) Any person who violates KRS 257.050 shall be fined not less than two hundred dollars ($200) nor more than five hundred dollars ($500) for the first offense; for each subsequent offense he shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), and shall be imprisoned for not less than sixty (60) days nor more than one hundred and twenty (120) days.

(4) Any person who violates subsection (1) of KRS 257.060 shall be fined not less than five hundred dollars ($500) nor more than one thousand five hundred dollars ($1,500) for the first offense; for each subsequent offense he shall be fined not less than one thousand dollars ($1,000) nor more than two thousand dollars ($2,000), and shall be imprisoned for not less than sixty (60) days nor more than one hundred and twenty (120) days.

(5) Any person who violates subsection (2) of KRS 257.060 shall be fined not more than one thousand dollars ($1,000).

(6) Any person who violates any of the provisions of KRS 257.080, subsection (2) of KRS 257.160, or 257.180 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(7) [Any person who fails to comply with subsection (1) of KRS 257.090 shall be civilly liable for all damages that occur by spreading the disease and shall be fined not less than one hundred dollars ($100) nor more than two hundred dollars ($200).

(8) Any person who fails to comply with paragraph (c) of subsection (2) of KRS 257.090 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(9)] Any person who violates any ruling of the board or who hinders any agent of the board in carrying out the duties assigned to him, or any officer who refuses to enforce the provisions of this chapter when called upon by the board to do so, or any other person who in any way attempts to hinder or obstruct the board in carrying out the provisions of this chapter shall be fined not less than two hundred dollars ($200) nor more than five hundred dollars ($500) for each offense.

(8)[(10)] Any person who violates any provision of KRS 257.330 to 257.350 or the regulations made thereunder for carrying out their provisions, or who fails or refuses to comply with or intends to deceive or who answers or represents falsely in response to any requirement of KRS 257.330 to 257.350, or who wilfully interferes with the livestock sanitary division of the department of agriculture, or state veterinarian, their

employes or agents, in the carrying out of their duties provided in KRS 257.330 to 257.350, shall be guilty of a misdemeanor. Any person who shall violate any of the provisions of KRS 257.330 to 257.350 shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not to exceed five hundred dollars ($500).

(9)[(11)] Any person, firm or corporation who shall violate any provision of KRS 257.370 to 257.460 or any rule or regulation made under authority thereof shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not to exceed five hundred dollars ($500) for each offense.

(10)[(12)] Any person who resists, obstructs, interferes with, threatens, attempts to intimidate, or in any other manner interferes with an officer under KRS 257.490 or who willfully refuses to obey his lawful orders shall be fined not more than one thousand dollars ($1,000) or imprisoned in the county jail not more than 30 days, or both.

(11)[(13)] Any livestock dealer who violates any provision of KRS 257.530 shall be fined twenty-five dollars ($25) for the first offense and not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each succeeding offense.

Section 235. KRS 250.482 is amended to read as follows:

As used in KRS 250.483 to 250.488:

(1) "Department" means the department of insurance;

(2) "Division" means the division of fire prevention in the department of *housing, buildings and construction* [insurance].

(3) "Anhydrous ammonia" refers to the compound formed by the combination of the two (2) gaseous elements, nitrogen and hydrogen, in the proportion of one (1) part nitrogen to three (3) parts of hydrogen by volume. Anhydrous ammonia is ammonia gas in compressed or liquefied form, and is not aqueous ammonia.

Section 236. KRS 262.220 is amended to read as follows:

The county clerk shall cause the names of all nominees on behalf of whom nominating petitions have been filed under KRS 262.210 to be printed for the voting machines and on the special ballots for the regular elections as provided in KRS *117.145* [125.060]. In counties encompassing more than one soil and water conservation district, where portions of more than one district be within the boundaries of a single voting precinct, separate ballots shall be printed for the election of supervisors. The election of soil and water conservation district supervisors shall be subject to the provisions of KRS chapter 118 for the conduct of regular elections, except that the cost of placing the names of the nominees on the voting machines and on the ballots shall be borne by the commission.

Section 237. KRS 262.730 is amended to read as follows:

The question to be voted on shall be submitted by ballots upon which appear the words:

"For the creation of .... watershed conservancy district"

"Against the creation of .... watershed conservancy district" A square shall follow each proposition. The ballot shall also contain a direction to insert an "☒" mark in the square following one or the other of the propositions, as the voter may favor or oppose creation of the district. The ballot shall set forth the boundaries of the proposed district as determined by the board of supervisors. Only owners of lands lying within the boundaries of the territory shall be eligible to vote in the referendum. Qualified voters may vote by absentee ballot in such referendum under rules set out in KRS Chapter *117* [126].

Section 238. KRS 271A.375 is amended to read as follows:

(1) Any corporation owning at least ninety per cent (90%) of the outstanding shares of each class of another corporation may merge such other corporation into itself without approval by a vote of the shareholders of either corporation. Its board of directors shall, by resolution, approve a plan of merger setting forth:

(a) The name of the subsidiary corporation and the name of the corporation owning at least ninety per cent (90%) of its shares, which is hereinafter designated as the surviving corporation; and

(b) The manner and basis of converting the shares of the subsidiary corporation into shares, obligations or other securities of the surviving corporation or of any other corporation or, in whole or in part, into cash or other property.

(2) A copy of such plan of merger shall be mailed to each shareholder of record of the subsidiary corporation.

(3) Articles of merger shall be executed in triplicate by the surviving corporation by its president or a vice-president and by its secretary or an assistant secretary, and verified by one (1) of its officers signing such articles, and shall set forth:

(a) The plan of merger;

(b) The number of outstanding shares of each class of the subsidiary corporation and the number of such shares of each class owned by the surviving corporation; and

(c) The date of the mailing to shareholders of the subsidiary corporation of a copy of the plan of merger.

(4) On and after the thirtieth day after the mailing of a copy of the plan of merger to shareholders of the subsidiary corporation or upon the waiver thereof by the holders of all outstanding shares triplicate

originals of the articles of merger shall be delivered to the secretary of state. If the secretary of state finds that such articles conform to law, he shall, when all fees and taxes therefor have been paid as prescribed by law:

(a) Indorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof;

(b) File one (1) of such triplicate originals in his office; and

(c) Issue a certificate of merger to which he shall affix one (1) other triplicate original.

(5) The certificate of merger, together with the two (2) triplicate originals of the articles of merger shall be returned to the surviving corporation or its representative. One (1) of such triplicate originals shall then be filed with and recorded by the *county* clerks [of the counties court] in the county in which is situated the registered office of the corporations.

Section 239. KRS 186.531 is amended to read as follows:

(1) The cost of operator's licenses, motorcycle operator's license and permits shall be as follows:

(a) The fee for any original or renewal license, including motorcycle operator's license, shall be four dollars ($4), except that the fee for a combination motor vehicle-motorcycle operator's license shall be seven dollars ($7);

(b) The fee for any instruction permit shall be fifty cents plus fifty cents (50¢) for preparing and acknowledging such application;

(c) The fee for a duplicate license shall be two dollars ($2); and

(d) The fee for a non-driver's identification card shall be two dollars ($2).

(2) The circuit clerk shall deposit in the state treasury to the credit of the general fund except as provided in subsection (f) fees pertaining to applications and license fees in the following manner:

(a) One dollar and seventy-five cents ($1.75) of any original and renewal license, except that the fee for a combination motor vehicle-motorcycle operator's license shall be three dollars ($3);

(b) Fifty cents (50¢) for issuance of any instruction permit;

(c) Fifty cents (50¢) for preparing and acknowledging an application for an instruction permit;

(d) One dollar and twenty-five cents ($1.25) for preparing and acknowledging an application for a duplicate;

(e) One dollar and twenty-five cents ($1.25) for each non-driver's identification card; and

(f) For each original, renewal, duplicate license and non-driver's identification card, fifty cents (50¢) shall be credited to a special account within the state road fund and shall be used by the department of transportation exclusively for the purpose of issuing a photo license.

(3) The remainder of all fees, and other moneys collected by the circuit court clerk shall be forwarded to the *state* [department of transportation].

(4) The photo licenses shall be in use and the procedures prescribed by KRS 186.412 and 186.413 shall be fully implemented by January 1, 1975.

Section 240. KRS 274.095 is amended to read as follows:

(1) The articles of incorporation may provide for the purchase or redemption of all of the shares of any shareholder within a period not to exceed one (1) year after the death or disqualification to practice the profession of such shareholder, or for the purchase or redemption within said time of all of the shares of any shareholder desiring to sell them, all of whom are herein sometimes called "withdrawing shareholders" or, in default of such provisions in the articles of incorporation, the foregoing provisions and time limitation may be included in the bylaws of a professional service corporation, or, if no such provision and time limitation is made in the articles of incorporation or bylaws, they may be provided for by such private agreement or agreements as the stockholders and corporation may enter into. If such an article, bylaw or agreement is adopted or provided for and such stock is not redeemed by the corporation within said one (1) year period, then within ten (10) days following the end of said period the president and/or secretary of the corporation shall give notice thereof to the secretary of state of Kentucky and, upon receipt of such notice by the secretary of state, the charter of the corporation shall be immediately void.

(2) In the absence of such provisions in the articles of incorporation, bylaws or by private agreement, a professional service corporation shall redeem the shares of a withdrawing shareholder within ninety (90) days after the death or disqualification of a shareholder or of the receipt by the corporation of written notice from a shareholder that he desires to sell or transfer all his shares of stock in the corporation upon terms mutually agreeable to the parties.

(3) If the sole shareholder of a professional service corporation organized pursuant to this chapter dies, it shall be the duty of his personal representative to so notify the secretary of state, whereupon the charter of such corporation shall lapse.

(4) In the absence of (a) an article, bylaw or agreement as provided for in subsection (1) of this section, or (b) a sale as provided for within the time stated in subsection (2) of this section, a professional service corporation, within one hundred eighty (180) days after the death or disqualification of a shareholder or within the same period after receiving written notice from a shareholder that he desires the corporation

to redeem all of his stock in the corporation, shall institute an equitable action for a determination of the fair market value of all of the shares of the corporation's outstanding stock owned by such shareholder.

(a) The court shall designate a time for a hearing and at said hearing shall appoint a disinterested appraiser to determine the fair market value of such shares. The court shall administer an oath to the appraiser to honestly and faithfully discharge his duties and shall fix a time and place for the appraiser to begin hearing evidence on such fair market value. The appraiser shall have the powers conferred upon master commissioners by *KRS 31A.010* [subsection (2) of KRS 27.100] and shall afford a reasonable opportunity to the corporation and the shareholder or personal representative of a deceased shareholder to introduce pertinent evidence on such fair market value. The appraiser shall conduct his hearings as expeditiously as practicable, and upon completion of the hearing shall report in writing to the court his determination of the fair market value of such shares and shall file with the court a written transcript of the testimony heard by him, together with all exhibits introduced in evidence.

(b) The corporation or any withdrawing shareholder may, within ten (10) days after the filing of the appraiser's report, file exceptions thereto. Such exceptions shall be heard and decided by the court upon the evidence submitted to the appraiser as shown by the transcript. After hearing the exceptions to the appraiser's report, or if no exceptions thereto have been filed within the time hereinbefore provided for, the court shall enter final judgment determining such fair market value of the shares of each withdrawing shareholder and shall direct payment thereof by the corporation to each withdrawing shareholder and the surrender of the duly indorsed certificate or certificates representing his shares.

(5) If a professional service corporation fails to bring the above provided for action for the redemption of its shares within the time provided, then within ten (10) days after the end of said period, the president of the corporation, and if he be then dead, the secretary thereof, shall so notify, in writing, the secretary of state of Kentucky, and upon receipt of such notice by the secretary of state of Kentucky, the charter of the professional service corporation shall be void.

(6) If the obligation of the corporation to redeem any shares of its outstanding stock as set out in subsections (1) to (5) of this section would render the corporation insolvent, then within ten (10) days of demand for such redemption the corporation shall commence to liquidate and dissolve, unless the remaining shareholders shall have prior thereto purchased all of the withdrawing shareholder's shares.

Section 241. KRS 281.013 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) (a) A "city bus certificate" means a certificate granting authority only for the operation of motor vehicles transporting passengers for hire between points within the corporate limits of a city and over regular routes;

(b) A "city bus" is a motor vehicle operated under one or more city bus certificates;

(c) The term "city bus license" means a license plate issued for a bus authorizing its operation under one or more city bus certificates or a combination of city bus certificates and suburban bus certificates;

(2) (a) A "suburban bus certificate" means a certificate granting authority only for the operation of motor vehicles carrying passengers for hire within the confines of either one or more cities and their suburban area, or a suburban area, over regular routes but not granting authority to engage in intracity transportation;

(b) A "suburban bus" is a motor vehicle operated under one or more suburban bus certificates;

(c) The term "suburban bus license" means a license plate issued for a bus authorizing its operation under one or more suburban bus certificates;

(3) (a) An "industrial bus certificate" means a certificate granting authority only for the operation of motor vehicles which are not exempt under subsection *(11)*[(10)] of KRS 281.605 and which are used exclusively for transporting employes of a given industry or industries for hire to and from their place of employment;

(b) An "industrial bus" is a motor vehicle operated under an industrial bus certificate;

(c) The term "industrial bus license" means a license plate issued for a bus authorizing its operation under an industrial bus certificate.

Section 242. KRS 287.103 is amended to read as follows:

(1) It is hereby declared to be the policy of the Commonwealth of Kentucky that the investment of funds, by a bank chartered under the laws of Kentucky or a national banking association having its principal office in Kentucky, in real and personal property as now or hereafter provided by KRS Chapter 287 be recognized as a normal, proper, necessary, and integral part of the legitimate business of such state or national banks.

(2) Upon approval of the commissioner of banking in the case of a state bank, or the proper federal supervisory authority in the case of a national bank, the institution may invest its funds in real or personal property and/or improvements on such real property when all or a portion of the improvements are for use as its home office or for branch offices so long as the said real estate is used for carrying on its legitimate business as permitted by §192 of the Constitution of the state of Kentucky.

(3) All property owned and held by a state or national bank under this section shall be deemed to be property that is proper and necessary for carrying out its legitimate business within the meaning of KRS *271A.705* [271.145] or any other section of the Kentucky Revised Statutes relating to escheat.

SECTION 243. KRS 304.2-015 IS AMENDED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 198B TO READ AS FOLLOWS:

There are hereby transferred and vested in the department of *housing, buildings and construction* [Insurance], office of the fire marshal or its successor agency, all functions, powers and duties, funds, personnel, equipment and supplies now vested in the commission on fire protection personnel standards and education (KRS Chapter 95A), and in the department of public safety as follows:

Fire department aid (KRS 17.210 to 17.270); safety glazing (KRS 17.410 to 17.440 and 17.990); boiler safety (KRS Chapter 236); [public safety advisory committee (KRS 17.065);] dry cleaning and dyeing (KRS Chapter 228); fire prevention and protection (KRS 227.200 to 227.410); and transportation of hazardous substances (KRS Chapter 234).

Section 244. KRS 341.230 is amended to read as follows:

The commissioner may authorize the destruction of such original reports and records as have been properly recorded and summarized in the permanent records of the *department for human resources* [bureau of employment security] or are no longer considered necessary for the proper administration of this chapter. Wage records of the individual worker or transcripts thereof may be destroyed or disposed of two (2) years after the expiration of the period covered by them or upon proof of death of the worker. Such destruction or disposition shall be made only by order of the commissioner. Any money received from the disposition of such records shall be deposited to the credit of the unemployment compensation administration fund.

Section 245. KRS 304.9-140 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 304.9-120, a nonresident of this state may be licensed as a life insurance agent upon compliance with the provisions of KRS *304.9-105* [304.9-110], except as to the residence requirement, if such person in good faith intends to transact and does transact in this state substantially all of his business as a life insurance agent.

(2) Notwithstanding the provisions of KRS 304.9-120, a nonresident of this state may be licensed as a general lines insurance agent upon compliance with the provisions of KRS *304.9-105* [304.9-110] except as to the residence requirement provided that such agent shall not solicit business, advertise, or take applications for insurance within this state. Nothing herein is intended in any way to limit or prohibit such a nonresident licensed agent from entering this state to service an existing insurance policy.

(3) Nonresidents of this state other than those referred to in subsection (1) of this section, may be licensed as insurance agents in this state without taking an examination if:

(a) A written examination is required of applicants for an insurance agent's license in such other state.

(b) The appropriate official of such other state certifies that the applicant holds a currently valid license as an insurance agent in such other state and either passed such written examination or was the holder of an insurance agent's license prior to the time such written examination was required.

(c) In such other state, a resident of this state is privileged to procure an insurance agent's license upon the foregoing conditions and without discrimination as to fees or otherwise in favor of the residents of such other state.

(4) Notwithstanding the provisions of KRS 304.9-120, a nonresident of this state who is a full-time employe of an insurer or an affiliate of an insurer, and not compensated on a commission basis, may be licensed as a general lines insurance agent upon compliance with the provisions of KRS *304.9-105* [304.9-110], except as to the residence requirement, and may act as an agent in Kentucky under said license, provided that such insurer maintains a place of business in this state.

Section 246. KRS 304.10-200 is amended to read as follows:

(1) An unauthorized insurer shall be sued, upon any cause of action arising in the state under any contract issued by it as a surplus lines contract pursuant to this subtitle, in the circuit court of the county in which the cause of action arose.

(2) Service of legal process against the insurer may be made in any such action by service upon the commissioner as provided in KRS *304.3-230* [304.3-320]. The commissioner shall forthwith mail a copy of the process served to the person designated by the insurer in the policy for the purpose, by prepaid registered or certified mail with return receipt requested. Process served upon the commissioner and copy thereof forwarded as provided in this section shall for all purposes, constitute personal service upon the insurer.

(3) An unauthorized insurer issuing such policy shall be deemed thereby to have authorized service of process against it in the manner and to the effect as provided in this section. Any such policy shall contain a provision stating the substance of this section, and designating the person to whom the commissioner shall mail process as provided in subsection (2) of this section.

Section 247. KRS 304.40-040 is amended to read as follows:

(1) Within forty-five (45) days following the order of the commissioner implementing the operation of the association, the directors of the association shall submit to the commissioner for his review a proposed plan of operation, consistent with the provisions of this *subtitle* [chapter].

(2) The plan of operation shall provide for economic, fair, and nondiscriminatory administration and for the prompt and efficient provision of medical malpractice insurance; and shall contain other provisions including, but not limited to, preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the association, assessment of members to defray losses and expenses, commission arrangements, reasonable and objective underwriting standards, acceptance and cession of reinsurance, appointment of servicing carriers or other servicing arrangements and procedures for determining amounts of insurance to be provided by the association.

(3) The plan of operation shall be subject to approval by the commissioner after consultation with the members of the association, representatives of the public, and other affected individuals and organizations. If the commissioner disapproves all or any part of the proposed plan of operation, the directors shall within fifteen (15) days submit for review an appropriate revised plan of operation or part thereof. If the directors fail to do so, the commissioner shall promulgate a plan of operation or part thereof, as the case may be. The plan of operation approved or promulgated by the commissioner shall become effective upon order of the commissioner.

(4) Amendments to the plan of operation may be made by the directors of the association, subject to the approval of the commissioner, or shall be made at the direction of the commissioner.

Section 248. KRS 304.40-100 is amended to read as follows:

(1) Any applicant to the association, any person insured pursuant to KRS 304.40-030 to 304.40-140, or their representatives, or any affected insurer, may appeal to the commissioner within thirty (30) days after any rule, action, or decision by or on behalf of the association, with respect to those items the plan of operation defines as appealable matters.

(2) All orders of the commissioner made pursuant to this *subtitle* [article] are subject to appeal to the Franklin Circuit Court in accordance with KRS chapter 304, subtitle 2.

Section 249. KRS 304.40-120 is amended to read as follows:

The commissioner shall make an examination into the affairs of the association at least annually. Such examination shall be conducted and the report thereon filed in the manner prescribed in KRS chapter 304, subtitle 2. The expenses of such examinations shall be paid by the association in the manner prescribed by that *subtitle* [said chapter].

Section 250. KRS 311.420 is amended to read as follows:

(1) The board shall conduct examinations at least twice a year at such times and places as the board deems convenient for applicants for licenses to practice podiatry in this state, and shall admit to examination any applicant who:

(a) Is at least eighteen (18) years of age;

(b) Is a citizen of the United States and a resident of the state of Kentucky;

(c) Is of good moral character and temperate habits; and

(d) Has completed a course in and graduated from a school or college of podiatry approved by the board.

(2) The board shall prescribe the time, place, method, manner, scope and content of examinations as relates to KRS 311.380(2); and the board may accept certified, successful National Board of Podiatry examinations in lieu of its written examination.

(3) Applicants for examination shall present their credentials to the board by mail upon forms furnished by the board, and shall receive due notice of the place and date of the examination. Each application shall contain proof of the qualifications required of the applicant, shall be verified by the applicant under oath, and shall be accompanied by an examination fee set by the board.

(4) The board shall issue a license to any person who complies with the provisions of KRS 311.380 to *311.510* [311.520] and who satisfactorily passes the examination.

(5) The members of the board shall receive no compensation for their services, but shall be paid their traveling and other necessary expenses while employed upon the business of the board.

(6) The board may, in good faith, adopt rules and regulations to license and control those persons who may become formally educated, or by years of employment by a licensed podiatrist, as a podiatric assistant.

(7) The board may utilize such materials, services or facilities as may be made available to it by other state agencies or may contract therefor, to such extent as the board in its discretion, may determine.

Section 251. KRS 311.550 is amended to read as follows:

As used in KRS 311.530 to 311.620 and 311.990(8) to (11):

(1) "Board" means the state board of medical licensure;

(2) "President" means the president of the state board of medical licensure;

(3) "Secretary" means the secretary of the state board of medical licensure, or any assistant secretary thereof appointed as such by the board;

(4) "Regular license" means a license to practice medicine or osteopathy at any place in this state;

(5) "Limited license" means a license to practice medicine in a specific institution to the extent indicated in said license, except that no person who is the holder of a limited license on September 1, 1972, shall be restricted to an institutional practice without his consent;

(6) "Temporary permit" means a permit issued to a person who has applied for a regular license, and who appears (from verified information in the application) to the secretary to be qualified and eligible therefor;

(7) "Emergency permit" means a permit issued to a physician currently licensed in another state, authorizing him to practice in this state for the duration of a specific medical emergency, not to exceed thirty (30) days.

(8) Except as provided in subsection (9) of this section, the "practice of medicine or osteopathy" means the diagnosis, treatment or correction of any and all human conditions, ailments, diseases, injuries, or infirmities by any and all means, methods, devices or instrumentalities.

(9) The "practice of medicine or osteopathy" does not include the practice of Christian Science, the practice of podiatry as defined in KRS 311.380, the practice of dentistry as defined in KRS 313.010, the practice of optometry as defined in KRS 320.210, the practice of chiropractic as defined in subsection (2) of KRS 312.015, the practice as a nurse as defined in KRS 314.011, the performance of duties for which they have been trained by emergency medical technicians or medical emergency dispatchers certified by the department for human resources, the practice of pharmacy by persons licensed and registered under KRS 315.050, the sale of drugs, nostrums, patented or proprietary medicines, trusses, supports, spectacles, eyeglasses, lenses, instruments, apparatus, or mechanisms that are intended, advertised or represented as being for the treatment, correction, cure or relief of any human ailment, disease, injury, infirmity or condition, in regular mercantile establishments, or the practice of midwifery by women; provided, however, that KRS 311.550 to 311.620 shall not be construed as repealing the authority conferred on the department for human resources by KRS chapter 211 to provide for the instruction, examination, licensing and registration of all midwives through county health officers.

(10) "Physician" means a doctor of medicine or a doctor of osteopathy.

(11) As used in KRS 311.595*(4)*[(d)], "crimes involving moral turpitude" shall mean those crimes which have dishonesty as a fundamental and necessary element, including, but not limited to crimes involving theft, embezzlement, false swearing, perjury, fraud, or misrepresentation.

Section 252. KRS 311.555 is amended to read as follows:

It is the declared policy of the general assembly of Kentucky that the practice of medicine and osteopathy should be regulated and controlled as provided in KRS 311.550 to 311.620 in order to prevent empiricism and to protect the health and safety of the public. Further, the general assembly of Kentucky has created the board, as defined in KRS 311.530, to function as an independent board, the majority of whose members are licensed physicians, with the intent that such a peer group is best qualified to regulate, control and otherwise discipline the licensees who practice medicine and osteopathy within the Commonwealth of Kentucky. In furtherance of this intent, the judiciary of the Commonwealth of Kentucky, who may be caused to review the actions of the board, shall modify, remand or otherwise disturb those actions only in the event:

(1)[(a)] That the action of the board constitutes a clear abuse of its discretion;

(2)[(b)] That the action of the board is clearly beyond its legislative delegated authority; or

(3)[(c)] That the action of the board violated the procedure for disciplinary action as described in KRS 311.596.

Section 253. KRS 311.595 is amended to read as follows:

Where such power has not been transferred by statute to some other board, commission or agency of this state, the board may deny an application for a license; place a licensee on probation for a period not to exceed five (5) years; suspend a license for a period not to exceed five (5) years; limit or restrict a license for an indefinite period; or revoke any license heretofore or hereafter issued by the board, upon proof that the licensee has:

(1)[(a)] Knowingly made or presented, or caused to be made or presented, any false, fraudulent or forged statement, writing, certificate, diploma or other thing, in connection with an application for a license or permit.

(2)[(b)] Practiced, or aided or abetted in the practice of fraud, forgery, deception, collusion or conspiracy in connection with an examination for a license.

(3)[(c)] Committed, procured or aided in the procurement of an unlawful abortion.

(4)[(d)] Been convicted, by any court within or without the Commonwealth of Kentucky, of committing an act which is, or would be a felony under the laws of the Commonwealth of Kentucky, or of the United States, or of any crime involving moral turpitude which is a misdemeanor, under such laws.

(5)[(e)] Become addicted to a controlled substance.

(6)[(f)] Become a chronic or persistent alcoholic.

(7)[(g)] Developed such physical or mental disability, or other condition, that continued practice is dangerous to patients or to the public.

(8)[(h)] Engaged in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud or harm the public or any member thereof.

(9)[(i)] Knowingly made, or caused to be made, or aided or abetted in the making of, a false statement in any document executed in connection with the practice of his profession.

(10)[(j)] Employed, as a practitioner of medicine or osteopathy in the practice of his profession in this state, any person not duly licensed or otherwise aided, assisted or abetted the unlawful practice of medicine or osteopathy or any other healing art.

(11)[(k)] Violated or attempted to violate, directly or indirectly, or assisted in or abetted the violation of, or conspired to violate any provision or term of any medical practice act, including but not limited to the code of conduct promulgated by the board under KRS 311.601 or any other valid regulation of the board.

(12)[(l)] Violated any order of suspension, or the terms or conditions of any order of probation, issued by the board.

(13)[(m)] Engaged in or attempted to engage in the practice of medicine or osteopathy under a false or assumed name, or impersonates another practitioner of a like, similar or different name.

(14)[(n)] Obtained a fee or other thing of value on the fraudulent representation that a manifestly incurable condition could be cured.

(15)[(o)] Willfully violated a confidential communication.

(16)[(p)] Had his license to practice medicine or osteopathy in any other state, territory or foreign nation revoked, suspended, restricted or limited or has been subjected to other disciplinary action by the licensing authority thereof.

(17)[(q)] Failed or refused, without legal justification, to practice medicine in a rural area of this state in violation of a valid medical scholarship loan contract with the trustees of the rural Kentucky medical scholarship fund.

(18)[(r)] Given or received, directly or indirectly, from any person, firm, or corporation, any fee, commission, rebate, or other form of compensation for sending, referring or otherwise inducing a person to communicate with a person licensed under KRS 311.530 to 311.620 in his professional capacity or for any professional services not actually and personally rendered; provided, however, that nothing contained in this subsection shall prohibit persons holding valid and current licenses under KRS 311.530 to 311.620 from practicing medicine in partnership or association or in a professional service corporation authorized by KRS Chapter 274, as now or hereinafter amended, or from pooling, sharing, dividing or apportioning the fees and monies received by them or by the partnership, corporation or association in accordance with the partnership agreement or the policies of the board of directors of the corporation or association. Nothing contained in this subsection shall abrogate the right of two or more persons holding valid and current licenses under KRS 311.530 to 311.620 to receive adequate compensation for concurrently rendering professional care to a single patient and divide a fee, provided the patient has full knowledge of this division and provided the division is made in proportion to the services performed and responsibility assumed by each.

(19)[(s)] Been removed, suspended or expelled by any professional medical association or society when such action was based upon what said association or society found to be unprofessional conduct, professional incompetence, malpractice, or a violation of any provision of KRS Chapter 311.

(20)[(t)] Been disciplined by a licensed hospital or medical staff or said hospital, including removal, suspension, limitation of hospital privileges, failing to renew privileges for cause, or other disciplinary action if such action was based upon what said hospital or medical staff found to be unprofessional conduct, professional incompetence, malpractice, or a violation of any provisions of KRS Chapter 311.

Section 254. KRS 311.597 is amended to read as follows:

As used in KRS 311.595*(8)*[(h)], "dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud or harm the public or any member thereof" shall include, but not be limited to the following acts by a licensee:

(1) Prescribes or dispenses any "controlled substance" as defined in KRS 218A.010(2):

(a) With the intent or knowledge that a controlled substance will be used or is likely to be used other than medicinally or for an accepted therapeutic purpose,

(b) With the intent to evade any law with respect to sale, use or disposition of such controlled substance(s),

(c) For the licensee's personal use or for the use of his immediate family when the licensee knows or has reason to know that an abuse of controlled substance(s) is occurring, or may result from such a practice, or

(d) In such amounts that the licensee knows or has reason to know, under the attendant circumstances, that said amounts so prescribed or dispensed are excessive under accepted and prevailing medical practice standards.

(2) Issues or publishes in any manner whatsoever, representations in which grossly improbable or extravagant statements are made which have a tendency to deceive or defraud the public, or a member thereof, including, but not limited to:

(a) Any representation in which the licensee claims that he can cure or treat manifestly incurable diseases, ailments or infirmities by any method, procedure, treatment or medicine which the licensee knows or has reason to know has little or no therapeutic value;

(b) Represents or professes or holds himself out as being able and willing to treat diseases, ailments or infirmities under a system or school of practice:

1. Other than that for which he holds a certificate or license granted by the board, or
2. Other than that for which he holds a degree or diploma from a school otherwise recognized as accredited by the board, or
3. Under a school or system which he professes to be self-taught.

(3) A serious act, or a pattern of acts committed during the course of his medical practice which, under the attendant circumstances, would be deemed to be gross incompetence, gross ignorance, gross negligence or malpractice.

(4) Conduct which is calculated or has the effect of bringing the medical profession into disrepute, including, but not limited to any departure from, or failure to conform to the standards of acceptable and prevailing medical practice within the Commonwealth of Kentucky, and any departure from, or failure to conform to the principles of medical ethics of the American medical association or the code of ethics of the American osteopathic association. For the purposes of this subsection, actual injury to a patient need not be established.

(5) Failure by a licensee to report a known or observed violation of KRS Chapter 311 by another licensee as described in KRS 311.606.

Section 255. KRS 311.599 is amended to read as follows:

(1) To assist the board in enforcing the provisions of KRS 311.595*(7)*[(g)], the board shall, upon probable cause, have authority to compel a physician to submit to a mental or physical examination by physicians designated by it. The board may issue such an order to a licensee in conjunction with a complaint against the licensee or at any time during the proceedings, when in the board's opinion such action is deemed necessary in order to ascertain the licensee's ability to practice competently.

(2) Failure of a physician to submit to such an examination when directed, unless the failure was due to circumstances beyond his control, shall constitute an admission that the concerned physician has developed such a physical or mental disability, or other conditions, that continued practice is dangerous to patients or to the public; said failure shall constitute a default and a final order may be entered without the taking of testimony or presentation of evidence.

(3) A physician whose license has been suspended, limited, restricted or revoked under this section and KRS 311.595*(7)*[(g)], shall at reasonable intervals be afforded an opportunity to demonstrate that he can resume the competent practice of medicine with reasonable skill and safety to patients.

Section 256. KRS 311.606 is amended to read as follows:

(1) In order to assist the board in the enforcement of KRS 311.595*(19)*[(s)] and *(20)*[(t)], any professional medical association or society operating in the Commonwealth of Kentucky, or any hospital or medical staff of said hospital located in the Commonwealth of Kentucky, shall report all actions taken against a licensed physician as described in KRS 311.595*(19)*[(s)] and *(20)* [KRS 311.595(t)] to the board within thirty (30) days of the final adjudication of said action together with all pertinent documents to include but not limited to transcripts, pleadings and certified copy of the final order.

(2) In order to assist the board in the enforcement of the provisions of KRS Chapter 311, any licensed physician who observes another licensed physician violating a provision of KRS Chapter 311 shall submit a written report to the board, or to the board and the concerned medical association or society, or to the board and the concerned hospital or medical staff of the hospital within ten (10) days of observing such a violation or obtaining other direct knowledge of such a violation; the report shall contain the name of the licensed physician believed to be in violation of a provision of KRS Chapter 311, a detailed account of the concerned actions, a list of all other witnesses to said actions, and the name of the physician submitting the report.

(3) All clerks of the circuit and district courts in the Commonwealth of Kentucky shall report to the secretary of the board all criminal convictions of licensees that may occur in their respective courts. The report shall contain the name of the licensee, the sentence imposed against the licensee, and whether the sentence imposed upon the licensee has been appealed.

Section 257. KRS 311.570 is amended to read as follows:

(1) No person shall be eligible for a regular license under KRS 311.550 to 311.620, unless

(a) At least eighteen (18) years of age,

(b) Of good moral character,

(c) Able to speak and write the English language,

(d) Graduated from an accredited high school or its equivalent and satisfactorily completed and graduated from a prescribed course of instruction in a medical or osteopathic school or college situated in the United States or Canada and approved by the board during the entire period of attendance thereat,

(e) Satisfactorily completed at least a one-year internship or a prescribed course of postgraduate training of not less than one (1) year in an institution approved by the board, and

(f) Possessing all of the other qualifications that may be prescribed by rules and regulations of the board.

Provided, however, that the foregoing shall not be construed to prohibit the board from issuing a regular license to persons who have attended medical or osteopathic schools or colleges situated outside the United States or Canada if such schools or colleges are approved by the board and if such persons have been certified by the education council for foreign medical graduates, or its equivalent.

(2) Subject to the exceptions set out herein, no person who possesses the qualifications set out in paragraphs (a), (b) and (c) of subsection (1) of this section, and who has been graduated from an accredited high school, has satisfactorily completed a premedical course of instruction of at least two years in an accredited college or university, has satisfactorily completed and been graduated from a prescribed course of instruction in a medical or osteopathic school or college situated in the United States or Canada and approved by the American Medical Association or the American Osteopathic Association during the entire period of attendance thereat, and who has completed an internship of one year or a course of postgraduate training of not less than one year's duration approved by the board in a hospital approved for such training by the same associations, shall be denied admission to the examination in this state for a regular license, upon payment of the prescribed fee. However, the board may deny admission to the examination or refuse to issue a license upon successful passage of the examination upon proof that the applicant:

(a) Has been convicted for violating any state or federal narcotic or barbiturate law,

(b) Has failed the examination in another state or has had his license suspended or revoked in some other state,

(c) Has been convicted of a felony,

(d) Is emotionally unstable,

(e) Has been adjudged to be of unsound mind, *or*

(f) [Has violated KRS 311.585, or

(g)] Has engaged in any acts or conduct that would constitute grounds for suspension or revocation of a license under KRS 311.550 to 311.620.

(3) No person shall be eligible for a limited license unless

(a) At least eighteen (18) years of age,

(b) Of good moral character,

(c) Able to speak and write the English language,

(d) Actually residing in Kentucky at the time of making application or expressing in writing an intention to become an actual resident of this state after issuance of the limited license,

(e) Has been graduated from an accredited high school or its equivalent and has satisfactorily completed and been graduated from a prescribed course of instruction in a medical school approved by the board for limited licenses,

(f) Has successfully completed the examination conducted by the education council for foreign medical graduates, or its equivalent, and

(g) Possesses all the other qualifications and education that may be prescribed by rules and regulations of the board.

Provided, however, that all limited licenses issued by the department for human resources prior to September 1, 1972, may be renewed by the state board of medical licensure if the applicant meets the statutory requirements which were in effect at the time he was first granted a limited license, and such limited licensees shall be entitled to regular licenses whenever they can meet the requirements of this chapter.

(4) Except as provided by subsection (2)(g) of KRS 311.565 no license shall be issued except upon the successful passage of an examination as prescribed by the board. All applicants for a regular license must take the same general examination, and in addition, osteopathic applicants shall take an examination in osteopathic principles and practice.

(5) No person shall be deemed to have successfully passed an examination in this state unless he makes an overall average of at least seventy-five (75) on the entire examination.

(6) No license shall be issued, refused, suspended, limited, restricted or revoked by the board, nor shall any licensee be placed on probation, except in compliance with KRS 311.550 to 311.620 and the rules and regulations promulgated thereunder by the board and filed pursuant to KRS Chapter 13.

Section 258. KRS 311.990 is amended to read as follows:

(1) Any person who violates KRS 311.250 shall be fined fifty dollars ($50) for the first offense and one hundred dollars ($100) for each subsequent offense.

(2) Any college or professor thereof violating the provisions of KRS 311.300 to 311.350 shall be civilly liable on his bond for a sum not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each violation, which may be recovered by an action in the name of the Commonwealth.

(3) Any person who presents to the county clerk for the purpose of registration any license which has been fraudulently obtained, or obtains any license under KRS 311.380 to 311.510 by false or fraudulent

statement or representation, or practices podiatry under a false or assumed name or falsely impersonates another practitioner or former practitioner of a like or different name, or aids and abets any person in the practice of podiatry within the state without conforming to the requirements of KRS 311.380 to 311.510. or otherwise violates or neglects to comply with any of the provisions of KRS 311.380 to 311.510, shall be fined not less than two hundred and fifty dollars ($250) nor more than five thousand dollars ($5,000) or imprisoned in the county jail for not less than three (3) months nor more than twelve (12) months, or both so fined and imprisoned. Each case of practicing podiatry in violation of the provisions of KRS 311.380 to 311.510 shall be considered a separate offense.

(4) Each first violation of KRS 311.560 shall be punishable by a fine of not less than two hundred and fifty ($250) nor more than five thousand dollars ($5,000) or by imprisonment for not less than one (1) month nor more than twelve (12) months, or both. Each subsequent violation of KRS 311.560 shall constitute a felony and be punishable by a fine of not less than one thousand ($1,000) nor more than ten thousand dollars ($10,000) or by imprisonment in a penitentiary for not less than one (1) nor more than three (3) years, or both.

(5) Each violation of KRS 311.590 shall constitute a felony and shall be punishable by a fine of not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000) or by imprisonment in a penitentiary for not less than one (1) nor more than three (3) years. Conviction, under this subsection, of a holder of a license or permit, shall result automatically in permanent revocation of such license or permit.

(6) Conviction of wilfully resisting, preventing, impeding, obstructing, threatening or interfering with the board or any of its members, or of any officer, agent, inspector or investigator of the board or the department for human resources, in the administration of any of the provisions of KRS 311.550 to 311.620 shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both.

(7) Each violation of subsection (1) of KRS 311.375 shall, for the first offense, be punishable by a fine of not less than fifty dollars ($50) nor more than three hundred dollars ($300) or by imprisonment for not more than thirty (30) days or both, and, for each subsequent offense, by a fine of not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000) or by imprisonment for not more than one (1) year, or both.

(8) Each violation of subsection (2) of KRS 311.375 shall, for the first offense, be punishable by a fine of not more than one hundred dollars ($100) or by imprisonment for not more than thirty (30) days, or both, and, for each subsequent offense, by a fine of not less than one hundred dollars ($100) nor more than two hundred and fifty dollars ($250) or by imprisonment for not more than ninety (90) days or both.

(9) Each day of violation of either subsection of KRS 311.375 shall constitute a separate offense.

(10) [Conviction of wilfully resisting, preventing, impeding, obstructing, threatening or interfering with the board or any of its members, or of any officer, agent, inspector or investigator of the board in the administration of any of the provisions of KRS 311.550 to 311.620 shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both.

(11)] Any physician who fails to comply with the provisions of KRS 311.730, upon conviction thereof shall be fined not more than five hundred dollars ($500).

(11)[(12)] Failure to procure the informed consent of those required to give their consent pursuant to KRS 311.740, prior to performing an abortion shall be punishable by imprisonment in the county jail not to exceed one (1) year or a fine not to exceed one thousand dollars ($1,000), or both.

(12)[(13)] Any person convicted of violating KRS 311.750 shall be imprisoned in the penitentiary for a term of not less than ten (10) nor more than twenty (20) years.

(13)[(14)] Any person who violates KRS 311.760(2), 311.770 or 311.780 shall be imprisoned for a term not to exceed two (2) years or fined not more than five thousand dollars ($5,000), or both.

(14)[(15)] A person convicted of violating KRS 311.780 shall be imprisoned in the penitentiary for not less than two (2) nor more than twenty-one (21) years.

(15)[(16)] Any person who violates KRS 311.810 shall be imprisoned in the county jail for a term not to exceed twelve (12) months or fined a sum not to exceed one thousand dollars ($1,000), or both.

(16)[(17)] Any professional medical association or society, licensed physician, or hospital or hospital medical staff who shall have violated the provisions of KRS 311.606, shall be fined not less than one hundred dollars ($100), nor more than five hundred dollars ($500) for each failure to so report as described in KRS 311.606.

(17)[(18)] Any person who violates KRS 311.652 or any rule or regulation of the board of medical licensure adopted pursuant to KRS 311.654 shall be guilty of a Class A misdemeanor.

(18)[(19)] Any person who violates KRS 311.914 shall be guilty of a misdemeanor and on conviction shall be punished by a fine of not less than twenty-five dollars ($25) nor more than two hundred dollars ($200).

Section 259. KRS 317A.090 is amended to read as follows:

No license shall be renewed or issued by the cosmetologist board to any cosmetology school unless such school provides:

(1) As a prerequisite of graduation a prescribed course of instruction of not less than eighteen hundred (1,800) hours in the case of a cosmetology school to be given within an uninterrupted period with not more than eight (8) hours nor less than four (4) hours of instruction a day, exclusive of Sundays; except that in the state area vocational schools the eighteen hundred (1,800) hours of instruction may be offered according to the schedule for other vocational classes in the school;

(2) Courses of instruction in histology of the hair, skin, nails, muscles and nerves of the face and neck; elementary chemistry with emphasis on sterilization and antiseptics, diseases of the skin, hair and glands, massaging and manipulating of the muscles of the upper body; cutting, shaving, arranging, dressing, coloring, bleaching and tinting the hair and such other courses as may be prescribed by regulation of the board;

(3) Such facilities, equipment, materials, and qualified teachers and apprentice teachers as may be required by rules and regulations of the board adopted pursuant to this chapter, but in no event shall any school have fewer than one (1) licensed teacher per fifteen (15) students, or more than two (2) students per chair, nor shall any cosmetology school have fewer than one (1) licensed teacher per twenty (20) students;

(4) The fee for the initial license of a beauty school shall be one thousand dollars ($1,000);

(5) No cosmetology school after being licensed for the first time, shall serve the public until three hundred (300) hours of instruction has been taught;

(6) In compliance with KRS *317A.070* [317.520] the board may revoke or suspend any license issued by it if, in the judgment of the board, such school is not following the requirements as set out in this chapter or such school does not comply with the rules and regulations promulgated by the board in order to regulate the conduct of the school and in order to supervise the proper education of the students.

Section 260. KRS 317A.150 is amended to read as follows:

Nothing in this chapter shall supersede KRS 156.010 [or KRS 156.015] nor shall any fee be required for any student enrolling in a program operated by either the state board of education or the state department of education.

Section 261. KRS 335.010 is amended to read as follows:

(1) It is the purpose and policy of the Commonwealth of Kentucky to protect the public from being misled by incompetent and unauthorized persons, and from unprofessional conduct on the part of qualified social workers by providing regulatory authority over persons who hold themselves out to the public as social workers.

(2) The purpose of KRS 335.010 to 335.160 and 335.990 is to promote high standards of professional performance for those engaged in the profession of social work by regulating the title, and by setting standards of qualification, training and experience for those who seek to engage in the practice of social work.

(3) Nothing contained in KRS 335.010 to 335.160 and 335.990 shall be applicable to employes of the state department of education or local boards of education who meet the certification requirements in the area of social work as established, or which may be established, by the state board of education. Nor shall anything in KRS 335.010 to 335.160 and 335.990 be construed to apply to, limit, or restrict the regulation of the title, setting of standards, qualifications, training or experience of those who seek to engage in the practice of social work and who have been, or will be, certified by the state board *for elementary and secondary* [of] education for the position for which they have been employed.

(4) Nothing contained in KRS 335.010 to 335.160 and 335.990 shall require persons employed by the Commonwealth of Kentucky, the director or administrative head of a social service agency or division of a city, county or urban-county government or applicants for such employment to be licensed.

(5) Nothing contained in KRS 335.010 to 335.160 and 335.990 shall require persons employed by church-related or church-operated or affiliated agencies, childrens' homes, neighborhood centers, or other philanthropic and nonprofit field service offices to be licensed. The provisions of KRS 335.010 to 335.160 and 335.990 shall not be construed to apply to, limit or restrict the regulation of the title, setting of standards, qualifications, training and experience of those engaged as employes of such entities in the practice of social work or applied social counseling.

Section 262. KRS 337.990 is amended to read as follows:

(1) Any firm, individual, partnership or corporation that violates KRS 337.020 shall be fined not less than $25.00 nor more than $100 for each offense. Each failure to pay an employe the wages when due him under KRS 337.020 shall constitute a separate offense.

(2) [Any person who violates KRS 337.030 shall be fined not more than $500 for each violation.

(3)] Any employer who violates KRS 337.050 shall be fined not less than $25.00 nor more than $200 or imprisoned for not more than thirty (30) days, or both.

(3)[(4)] Any person who violates KRS 337.060 shall be fined not more than $300 or imprisoned for not more than sixty (60) days, or both.

(4)[(5)] Any employer who violates any provision of KRS 337.275 to 337.325, 337.345, and 337.385 to 337.405, or willfully hinders or delays the commissioner or his authorized representative in the performance of his duties under KRS 337.295, or fails to keep and preserve any records as required under KRS 337.320

and 337.325, or falsifies any such record, or refuses to make any such record or transcription thereof accessible to the commissioner or his authorized representative shall, upon conviction therefore be fined not less than $100 nor more than $500.

(5)[(6)] Any employer who pays or agrees to pay wages at a rate less than the rate applicable under KRS 337.275 and 337.285, or any wage order issued pursuant thereto, shall, upon conviction therefor, be fined not less than $100 nor more than $500.

(6)[(7)] Any employer who discharges or in any other manner discriminates against any employe because such employe has made any complaint to his employer, to the commissioner, or to his authorized representative that he has not been paid wages in accordance with KRS 337.275 and 337.285 or regulations issued thereunder, or because such employe has caused to be instituted or is about to cause to be instituted any proceeding under or related to KRS 337.385, or because such employe has testified or is about to testify in any such proceeding, shall be deemed in violation of KRS 337.275 to 337.325, 337.345, and 337.385 to 337.405 and shall, upon conviction therefor, be fined not less than $100 nor more than $500.

(7)[(8)] Any person who violates KRS 337.530 shall be fined not more than $100.

(8)[(9)] Any contractor or subcontractor who violates any wage or work hours provision in any contract under KRS 337.505 to 337.550 shall be fined not more than $100 for each offense, and said contractor or subcontractor shall make full restitution to all employes to whom he is legally indebted by reason of said violation. The prime contractor shall be jointly and severally liable with a subcontractor for wages due an employe of the subcontractor. For a flagrant or repeated violation the offending contractor or subcontractor shall be barred from bidding on, or working on, any and all public works contracts, either in his name or in the name of any other company, firm, or other entity in which he might be interested for a period of two (2) years from the date of the last offense. Each day of violation shall constitute a separate offense, and the violation as affects each individual worker shall constitute a separate offense.

(9)[(10)] Any public authority, public official, or member of a public authority who willfully fails to comply or to require compliance with KRS 337.505 or 337.550 shall be fined not more than $100 for each offense. Each day of violation shall constitute a separate offense. Where a public authority, public official or member of a public authority willfully or negligently fails to comply with KRS 337.505 to 337.550 and such failure results in damages, injury or loss to any person, such public authority, public official, or member of a public authority may be held liable therefor in a civil action.

(10)[(11)] Any person who fails to comply with KRS 337.070 shall be fined not less than $10, nor more than $100 for each offense and each day that such failure continues shall be deemed a separate offense.

(11)[(12)] Any employer who violates the provisions of KRS 337.065 shall be fined not less than $50 nor more than $500 for each offense and shall make full payment to the employe by reason of said violation.

Section 263. KRS 338.133 is amended to read as follows:

(1) [Notwithstanding the provisions of KRS 338.050,] If in the discretion of the commissioner it is believed that a place of employment, equipment, or practice is substantially dangerous to employes, or other persons, [and that the proceedings under KRS 338.050 will not offer effective, immediate remedy,] then the commissioner may apply to the circuit court in the county wherein the condition is located for a temporary injunction restraining the operation or segment of operation.

(2) The circuit court shall hear the application for the temporary injunction as soon as possible, irrespective of the regular court calendar.

(3) The commissioner shall not be required to post any bond or pay any court costs or fees with the filing of the application.

Section 264. KRS 339.350 is amended to read as follows:

[(1) The officer authorized to issue employment certificates shall administer the oaths required by KRS 339.340, but] No fee shall be charged for [administering the oaths or for] issuing the certificate. [(2)]The certificate shall be issued in triplicate. One (1) copy shall be mailed to the prospective employer of the minor for whom it is issued, one (1) shall be sent to the department of labor, and one (1) copy shall be kept on file in the issuing office. It shall be signed by the issuing officer and by the minor for whom it is issued in the presence of such officer. It shall contain the name and address of the child, the name and address of the employer, the industry and occupation in which the minor is to be employed, the type of evidence of age accepted, and such other information as the department of education shall require.

Section 265. KRS 341.030 is amended to read as follows:

(1) As used in this chapter, unless the context clearly requires otherwise, and except as provided in subsections (2) to (6) of this section, "wages" means all remuneration for services, including commissions, bonuses, and, except for services performed in agriculture and domestic employment, the cash value of all remuneration in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the commission.

(2) Amounts paid to traveling salesmen or other workers as allowance or reimbursement for traveling or other expenses, incurred on the business of the employing unit, constitute wages only to the extent of the excess of such amounts over such expenses actually incurred and accounted for by the worker to his employer.

(3) Gratuities and tips customarily received by a worker in the course of his employment from persons other than his employing unit do not constitute wages but only if the employing unit does not:

(a) Determine the distribution; or

(b) Take them into account to determine wages; or

(c) Impose or require such tips from other persons.

(4) "Wages" does not include the amount of any payment made to, or on behalf of, a worker under a plan or system established by an employing unit that makes provision for its workers generally or for a class of its workers, including any amount paid by an employing unit for insurance or annuities, or into a fund, to provide for any such payment, on account of:

(a) Retirement;

(b) Sickness or accident disability;

(c) Medical and hospitalization expenses in connection with accident or sickness disability; or

(d) Death, if the worker has not:

1. The option to receive, instead of provision for such death benefit, any part of the payment, or if such death benefit is insured, any part of the premiums or contributions to premiums paid by his employing unit, and

2. The right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of it either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employing unit.

(5) "Wages" does not include the amount of any payment made by an employing unit without deduction from the remuneration of the worker of the tax imposed under section 3101 of the Internal Revenue Code.

(6) "Wages" does not, for the purposes of KRS 341.260 to *341.310* [341.290], include that part of remuneration which, after wages equal to six thousand dollars ($6,000) have been paid in a calendar year to a worker by a subject employer or his predecessor with respect to covered employment during any calendar year, is paid to such worker by such subject employer during such calendar year unless that part of the wages is subject to a tax under a federal law, imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund. For the purpose of this subsection, the term "covered employment" shall include service constituting covered employment under any unemployment compensation law of another state.

Section 266. KRS 341.092 is amended to read as follows:

(1) For the purpose of this chapter, "previously uncovered wages" means wages paid to a worker during his base-period for service performed prior to January 1, 1978 which is defined in section 121 of the unemployment compensation amendments of 1976, Public Law 94-566, as "previously uncovered services."

(2) Benefit payments attributable to wages for previously uncovered *services* [wages] shall not be chargeable to employer reserve accounts, or to the pool account or to employers for payments in lieu of contributions under this chapter to the extent that such benefit payments are reimbursable under provisions of federal law.

Section 267. KRS 341.190 is amended to read as follows:

(1) Each employing unit shall keep true and accurate work records of all workers employed by it, of the wages paid by it to each worker, and such other information as the secretary for human resources considers necessary for the proper administration of this chapter. Such records shall be open for inspection and subject to being copied by the secretary or his authorized representatives at any reasonable time and as often as necessary.

(2) The secretary for human resources may require any employing unit to furnish to the *department* [division] at its central office from time to time information concerning the total amounts of wages paid, total number of persons employed, an individual record of each worker employed, an individual record of each worker whose employment has been terminated or who has been laid off, an individual wage and hour record of each worker employed part time entitled to benefits, and other related matters, including hours worked, which the secretary for human resources considers necessary to the effective administration of this chapter.

(3) All letters, reports, communications, and other matters, written or oral, from employer or worker, to the secretary for human resources or any of his agents, representatives, or employes, or to the commission, or to any board or official functioning under this chapter, which have been written, sent, or made in connection with the requirements and administration of this chapter, shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court, but no employer or employe, or his representative, testifying before the commission, the secretary for human resources or any duly authorized representative thereof, shall be exempt from punishment for perjury. Information thus obtained shall not be published or be open for public inspection except to public employes in the performance of their duties, in any manner revealing or indicating the employing unit's identity, but any claimant at a hearing before

the commission, the secretary for human resources or his duly authorized representative, shall be supplied with information from such records to the extent necessary for the proper presentation of his claim.

Section 268. KRS 341.200 is amended to read as follows:

(1) In the discharge of the duties imposed by this chapter members of the commission, the commissioner or any duly authorized representative thereof, may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda and other records considered necessary and relevant as evidence in connection with the administration of this chapter. Such subpoena shall be served in the same manner as a subpoena issued out of a circuit court and the sheriff shall receive the same fee as provided by law for like service in civil actions. Witnesses subpoenaed shall be allowed witnesses' fees according to the rates prescribed by KRS *421.015* [421.010] for each day their attendance is actually required at a hearing.

(2) The commissioner, or any authorized representative of the commissioner, shall have the power, in any and all counties of this Commonwealth, now granted by law to sheriffs within their respective jurisdictions, to execute and make due return of all notices, summonses, including summonses duces tecum, subpoenas, and executions in respect to all court actions instituted to enforce the provisions of this chapter. Neither the commissioner nor his authorized representative shall be deemed to be an interested party in the action by reason of his official or representative capacity.

Section 269. KRS 341.245 is amended to read as follows:

Subject to the provisions of KRS 56.440 to 56.550, inclusive, the secretary is authorized and empowered to use all or any part of the funds accumulated under the provisions of KRS [341.290 and] 341.295 for the purpose of acquiring suitable space for either central or district offices of the department by way of purchase, lease, contract, or in any other manner including the right to use said funds or any part thereof to assist in financing the construction of any building erected by the Commonwealth or any of its agencies wherein available space will be provided for the department under lease or contract between the department and the Commonwealth or such other agency whereby said department will continue to occupy such space, rent free, after the cost of financing such building has been liquidated.

Section 270. KRS 341.270 is amended to read as follows:

(1) Each subject employer's contribution rate shall be two and seven-tenths percent (2.7%) except as otherwise provided in this section.

(2) No subject employer's contribution rate shall be less than two and seven-tenths percent (2.7%) unless benefits were chargeable to his account with respect to the thirty-six (36) consecutive months immediately preceding the computation date.

(3) For the calendar year 1978 and each calendar year thereafter, employer contribution rates shall be determined in accordance with "Table A" set out in subsection (4) of this section. For each calendar year, the secretary shall determine the fund solvency factor, as of the 31st day of October immediately preceding the calendar year for which contribution rates are determined, by dividing the "benefit cost rate" into the "statewide reserve rate." If such factor:

(a) Equals or exceeds 1.8, the rates listed in "Schedule A" of "Table A" shall be in effect.

(b) Equals or exceeds 1.5 but is less than 1.8, the rates listed in "Schedule B" of "Table A" shall be in effect.

(c) Equals or exceeds 1.2 but is less than 1.5, the rates listed in "Schedule C" of "Table A" shall be in effect.

(d) Equals or exceeds 1.0 but is less than 1.2, the rates listed in "Schedule D" of "Table A" shall be in effect.

(e) Equals or exceeds 0.8 but is less than 1.0, the rates listed in "Schedule E" of "Table A" shall be in effect.

(f) Equals or exceeds 0.4 but is less than 0.8, the rates listed in "Schedule F" of "Table A" shall be in effect.

(g) Less than 0.4, the rates listed in "Schedule G" of "Table A" shall be in effect.

(4) For the calendar year, 1978 and each calendar year thereafter, contribution rates shall be determined upon the basis of an individual employer's reserve ratio as of the computation date and the schedule of rates established under subsection (3) of this section. Except as otherwise provided in this section, the contribution rate for each subject employer for the calendar year immediately following the computation date shall be the rate in that "Schedule" of "Table A", as set out below, effective with respect to such calendar year, which appears on the same line as his reserve ratio as shown in the "Employer Reserve Ratio" column of the same table.

TABLE A
Rate Schedule

Employer Reserve Ratio	A	B	C	D	E	F	G
6.0% and over	0.1%	0.2%	0.3%	0.4%	0.5%	0.7%	1.0%
5.0% but under 6.0%	0.2%	0.3%	0.4%	0.5%	0.6%	1.0%	1.3%
4.6% but under 5.0%	0.3%	0.4%	0.5%	0.6%	0.7%	1.4%	1.7%
				0.7%	*0.9%*	*1.7%*	*2.2%*
4.2% but under 4.6%	0.4%	0.5%	0.6%	[0.8%	0.7%	0.9%	1.7%]
3.9% but under 4.2%	0.5%	0.6%	0.8%	1.0%	1.5%	2.2%	2.5%
3.6% but under 3.9%	0.6%	0.7%	1.0%	1.4%	2.1%	2.5%	2.7%
3.2% but under 3.6%	0.7%	1.0%	1.5%	2.0%	2.6%	2.6%	2.7%
2.7% but under 3.2%	0.8%	1.3%	2.0%	2.5%	2.7%	2.7%	2.7%
2.0% but under 2.7%	1.0%	1.7%	2.5%	2.7%	2.7%	2.7%	2.7%
1.3% but under 2.0%	1.5%	2.1%	2.7%	2.7%	2.7%	2.7%	2.7%
0.0% but under 1.3%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
-4.0% but under 0.0%	3.0%	3.2%	3.7%	4.0%	4.2%	4.6%	4.9%
-8.0% but under -4.0%	3.5%	3.7%	4.0%	4.2%	4.4%	4.8%	5.0%
Less than -8.0%	4.0%	4.4%	4.6%	4.8%	5.0%	5.1%	5.2%

(5) As used in this section and elsewhere in this chapter, unless the context clearly requires otherwise:

(a) "Trust fund balance" means the amount of money in the unemployment insurance fund, less any unpaid advances made to the state under section 1201 of the social security act. In determining the amount in the fund as of a given date all money received by the department as of such date shall be considered as being in the fund on such date.

(b) "Total wages" means all remuneration for services, as defined in subsections (1) to (5) of KRS 341.030, paid by subject employers.

(c) "Statewide reserve rate" means the percentage ratio obtained by dividing the total wages for the four calendar quarters ending on the 30th day of September, which have been reported to the department on or before the immediately following 31st day of October, into the "trust fund balance" as of that same date.

(d) "Benefit cost rate" means the percentage ratio obtained by dividing the total amount of benefits paid during the highest twelve consecutive calendar-month period since 1956 by the total wages reported to the department for the four (4) quarters ending immediately prior to the end of such twelve-month period.

(e) An employer's "reserve ratio" means the percentage ratio of his reserve account balance as of the computation date to his taxable payrolls for the thirty-six (36) months last preceding such computation date.

(f) An employer's "reserve account balance" means the amount by which contributions credited to his reserve account exceed benefits charged to such account. If benefits charged to an account exceed contributions credited to such account as of the computation date, such account shall be considered as having a debit balance and a reserve ratio of "less than zero."

(g) "Computation date" means the date, occurring at least once in each calendar year and within twenty-seven (27) weeks prior to the effective date of new rates of contributions, as of which individual employer contribution rates are computed. The secretary shall by regulation prescribe the computation date.

Section 271. KRS 341.296 is amended to read as follows:

Such money in the unemployment compensation administration fund collected under [KRS 341.290, and the unemployment compensation contingent fund collected under] KRS 341.295, shall be invested by the state treasurer in bonds and other interest-bearing obligations of the United States of America, in such amounts, and in such of the securities herein authorized, as the commissioner may in his discretion prescribe and direct; Provided, however, such funds as may be accumulated under the above sections may be invested by the sinking fund commission, upon the request of the commissioner, in revenue bonds issued by the state property and buildings commission. The state treasurer shall dispose of securities or other property belonging to such funds only under the direction of the commissioner.

Section 272. KRS 341.370 is amended to read as follows:

(1) According to the circumstances in each case, a worker shall be disqualified from receiving benefits:

(a) For not less than one (1) nor more than sixteen (16) weeks immediately following the commission of the disqualifying act, if, subsequent to his most recent work, he has failed without good cause either to apply for available, suitable work when so directed by the employment office or the secretary or to accept suitable work when offered him, or to return to his customary self-employment when so directed by the secretary; or

(b) For not less than six (6) nor more than sixteen (16) weeks immediately following the commission of the disqualifying act, if he has been discharged for misconduct connected with his most recent work, but legitimate activity in connection with labor organizations or failure to join a company union shall not be construed as misconduct.

(2) A worker shall be disqualified from receiving benefits for the duration of any period of unemployment with respect to which:

(a) He was discharged for dishonesty in connection with his most recent work;

(b) He voluntarily quit his most recent work to marry or for the purpose of attending school, or to become self-employed; or

(c) He has left his most recent suitable work voluntarily without good cause.

(3) A worker shall be disqualified from receiving benefits for any week with respect to which he knowingly made a false statement to establish his right to or the amount of his benefits, and, within the succeeding twenty-four (24) months, for such additional weeks immediately following the date of discovery, not to exceed a total of fifty-two (52), as may be determined by the secretary.

(4) No worker shall be disqualified under paragraph (b) of subsections (1) or (2) of this section unless the employer, within a reasonable time as prescribed by *regulations promulgated by the secretary* [secretary's regulation], notifies the department for human resources and the worker in writing of the alleged voluntary quitting or the discharge for misconduct; provided, however, that nothing in this subsection shall restrict the right of the secretary for human resources to disqualify a worker whose employer has refused or failed to notify the department for human resources of the alleged voluntary quitting or discharge for misconduct if such alleged voluntary quitting or discharge for misconduct is known to the secretary for human resources prior to the time benefits are paid to such worker; provided, further, that the exercise of such right by the secretary for human resources, in the absence of timely notice from the employer, shall not relieve the employer's reserve account of benefit charges under the provisions of subsection (3) of KRS 341.530.

(5) As used in this section and in subsection (3) of KRS 341.530, "most recent" work shall be construed as that work which occurred after the first day of the worker's base period and which last preceded the week of unemployment with respect to which benefits are claimed; except that, if the work last preceding such week of unemployment was intermittent or temporary in nature, most recent work may be construed as that work last preceding such intermittent or temporary work.

Section 273. KRS 341.490 is amended to read as follows:

(1) There shall be a special fund known as the Unemployment Insurance Fund which shall be administered separate and apart from all public money or funds of this state. This fund shall consist of:

(a) All contributions, payments in lieu of contributions, and money collected under this chapter, except [those imposed under KRS 341.290 and] fines, penalties, and interest on delinquent contributions collected under KRS 341.300;

(b) Interest earned upon any money in the fund;

(c) Any property or securities acquired through use of money belonging to the fund;

(d) All earnings of such property or securities;

(e) All money received from the Federal Unemployment Account in the Unemployment Trust Fund in accordance with Title XII of the Social Security Act as amended;

(f) All money credited to the account of this state in the Unemployment Trust Fund in accordance with Section 903 of the Social Security Act as amended; and

(g) All money received from the Federal Government as reimbursement, pursuant to section 204 of the Federal-State Extended Unemployment Compensation Act of 1970.

(2) All monies in the fund shall be commingled and undivided.

(3) Subject to the provisions of this chapter, the commissioner may have full power, authority and jurisdiction over the fund, including all money and property or securities belonging thereto, and may perform any act necessary or convenient in the administration thereof consistent with this chapter.

Section 274. KRS 342.440 is amended to read as follows:

For the purpose of paying the salaries and necessary expenses of the board and its assistants and employes in administering and carrying out this chapter an administrative fund shall be created and maintained in the manner provided in KRS 342.450 to *342.480* [342.485].

Section 275. KRS 342.690 is amended to read as follows:

(1) If an employer secures payment of compensation as required by this chapter, the liability of such employer under this chapter shall be exclusive and in place of all other liability of such employer to the employe, his legal representative, husband or wife, parents, dependents, next of kin, and anyone otherwise entitled to recover damages from such employer at law or in admiralty on account of such injury or death. For purposes of this section, the term "employer" shall include a "contractor" covered by KRS 342.610, whether or not the subcontractor has in fact, secured the payment of compensation. The liability of an employer *to* [is] another person who may be liable for or who has paid damages on account of injury or death of an employe of such employer arising out of and in the course of employment and caused by a breach

of any duty or obligation owed by such employer to such other shall be limited to the amount of compensation and other benefits for which such employer is liable under this chapter on account of such injury or death, unless such other and the employer by written contract have agreed to share liability in a different manner. The exemption from liability given an employer by this section shall also extend to such employer's carrier and to all employes, officers or directors of such employer or carrier, provided the exemption from liability given an employe, officer or director or an employer or carrier shall not apply in any case where the injury or death is proximately caused by the wilful and unprovoked physical aggression of such employe, officer or director.

(2) If an employer fails to secure payment of compensation as required by this chapter, an injured employe, or his legal representative in case death results from the injury, may claim compensation under this chapter and in addition may maintain an action at law or in admiralty for damages on account of such injury or death, provided that the amount of compensation shall be credited against the amount received in such action, and provided that, if the amount of compensation is larger than the amount of damages received, the amount of damages less the employe's legal fees and expenses shall be credited against the amount of compensation. In such action the defendant may not plead as a defense that the injury was caused by the negligence of a fellow servant, that the employe assumed the risks of his employment, or that the injury was due to the contributory negligence of the employe.

(3) An employer shall retain all common law defenses against any action by an employe who elects not to be covered, as provided under subsection (6) of KRS 342.650.

Section 276. KRS 342.990 is amended to read as follows:

(1) Any employer subject to this chapter who refuses or willfully neglects to make the report required by KRS *342.038* [342.330] shall be fined not more than twenty-five dollars for each offense.

(2) Any person who violates KRS 342.335, 342.040, and 342.630 shall be fined not less than fifty dollars nor more than five hundred dollars or imprisoned for not less than ten nor more than ninety days.

(3) Any person who violates subsection (2) of KRS 342.400 shall be fined not less than fifty dollars nor more than two hundred dollars or imprisoned for not less than ten nor more than ninety days.

(4) Any employer who violates KRS 342.420 shall be fined not more than one hundred dollars for each offense.

(5) Any person who violates any of the provisions of KRS 342.445 to 342.475 shall be fined not less than one hundred dollars nor more than one thousand dollars or imprisoned for not less than ten nor more than ninety days, or both.

Section 277. KRS 351.175 is amended to read as follows:

(1) Within forty-five (45) days after January 1, 1953, and of each year thereafter, the owner, operator, or lessee of each mine shall procure from the department a license to operate such a mine, and such license shall not be transferable. Any owner, operator, or lessee who assumes control of a mine, opens a new mine or reopens an abandoned mine during any calendar year shall procure such license before mining operations are begun.

(2) The license shall be in such printed form as the commissioner may prescribe and when issued shall be kept posted at a conspicuous place near the main entrance of the mine.

(3) Requests for such license shall be made to the department and such requests shall be accompanied by a U.S. postal money order or cashier's check drawn in favor of the state treasurer in a reasonable amount established by regulations promulgated by the commissioner of a minimum of one hundred dollars ($100) and a maximum of one thousand dollars ($1,000). When the annual report of the operator and the annual mine map, as required by KRS 351.170 and 352.450, together with a certification from the commissioner of labor that the applicant for license has presented positive proof of compliance with the provisions of KRS chapter 342, are properly submitted to the department, the license shall be issued. The commissioner or his accredited agents shall have the authority to extend the time for filing of the map not to exceed an additional forty-five (45) days. Upon receipt of withdrawal of the certification of the commissioner of labor, or upon receipt of notice from the commissioner of revenue that the licensee is a "delinquent taxpayer", as defined in KRS Chapter 131, the department shall forthwith revoke any license hereunder issued. Revocation of said license shall be an administrative function of the department. Appeal of said administrative function shall lie in the Fayette Circuit Court.

(4) [Any operator who fails to obtain his license as required by this section shall be guilty of a Class A misdemeanor as defined in KRS 532.090, and shall be subject to a fine of not less than one hundred dollars ($100) nor more than three hundred dollars ($300) at the discretion of the court. Each day the mine is operated without a license constitutes a separate offense. Venue for such offenses shall lie in the county in which the offense occurred.

(5)] The mine inspector shall have the authority to stop production at the mine of any operator who fails to procure a license or fails to furnish a certification of compensation coverage as required under this section.

(5)[(6) Any operator operating a mine with knowledge that the mine has been placed under a valid closure order pursuant to this section shall be guilty of a Class D felony, as defined in KRS 532.060, and

shall be subject to a fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000). Jurisdiction shall lie in the circuit court of the county in which the offense occurred.

(7)] The department shall be authorized to seek injunctive relief for any violation of this section.

(6)[(8)] The application for a license shall be accompanied by a transportation plan which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. The transportation plan shall contain a certification by a duly authorized official of the bureau of vehicle regulation attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and the accuracy of the specifications of weight limits on such highways and bridges.

(7)[(9)] A license which has been revoked under the "delinquent taxpayer" provision shall not be re-issued until a written tax clearance has been received from the commissioner of revenue.

Section 278. KRS 351.990 is amended to read as follows:

(1) Any commissioner of the department of mines and minerals who violates any of the provisions of subsection (2) of KRS 351.020, or any of the provisions of KRS 351.070 to *351.110* [351.100] or KRS 351.160 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(2) Any person who violates standards promulgated under KRS 351.070 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(3) Any person who violates any of the provisions of KRS 351.100 to 351.120 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(4) Any mine inspector who violates any of the provisions contained in KRS 351.140 or 351.150 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(5) Any operator who violates any of the provisions of KRS 351.170 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(6) Any person who violates any of the provisions of subsection (1) of KRS 351.180 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(7) Any person who violates any of the provisions of KRS 351.315 to 351.375 or any regulation, determination, or order issued thereunder shall be subject to a civil fine not less than twenty dollars ($20) nor more than one thousand dollars ($1,000) for each violation.

(8) Any person who shall willfully violate any of the provisions of KRS 351.315 to 351.375, or any regulation determination or order promulgated pursuant to the sections of this KRS 351.315 to 351.375 which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than five hundred dollars ($500) and not more than five thousand dollars ($5,000).

(9) Any person who violates any of the provisions of KRS 351.330(16) shall be guilty of a Class B misdemeanor.

(10) Any person who violates any of the provisions of KRS 351.345(3) shall be guilty of a Class D felony.

(11) Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to KRS Chapter 351 or 352, or any order or decision issued under KRS Chapter 351 or 352 shall, upon conviction, be punished by a fine of not less than five hundred dollars ($500) nor more than ten thousand dollars ($10,000) or by imprisonment for not more than six (6) months, or both.

(12) Any person who knowingly works in or at a mine without a certificate issued under the provisions of this chapter, any person who knowingly employs an uncertified miner to work in an underground coal mine in this state, or any operator who fails to insure the supervision of trainee miners shall be guilty of a misdemeanor and shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500). Each day of employment shall constitute a separate offense.

(13) Any operator who fails to obtain his license as required by KRS 351.175 shall be guilty of a Class A misdemeanor as defined in KRS 532.090, and shall be subject to a fine of not less than one hundred dollars ($100) nor more than three hundred dollars ($300) at the discretion of the court. Each day the mine is operated without a license constitutes a separate offense. Venue for such offenses shall lie in the county in which the offense occurred.

(14) Any operator operating a mine with knowledge that the mine has been placed under a valid closure order pursuant to KRS 351.175 shall be guilty of a Class D felony, as defined in KRS 532.060, and shall be subject to a fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000). Jurisdiction shall lie in the circuit court of the county in which the offense occurred.

Section 279. KRS 359.090 is amended to read as follows:

(1) No inspector, weigher or registrar appointed under KRS 359.070 [or 359.080] shall neglect his duty, or knowingly or carelessly inspect or grade any grain improperly, or accept any money or other consideration for any neglect of duty or for improperly performing any duty.

(2) No person shall improperly influence any such inspector, weigher or registrar in the performance of his duties.

Section 280. KRS 363.680 is amended to read as follows:

Any city of the first, second or third class shall have power, by ordinance, to provide for a city sealer of weights and measures, with necessary assistants. When any such city establishes the position of city sealer, it shall procure from the department, at the expense of the city, a set of working standards of weights and measures certified by the department as a correct copy of the office standard of the department, and sealed by the department in the same manner as the working standards of the department. The city sealer shall have the same powers within the city as are conferred upon the department by KRS *363.410* [363.240] to *363.430* [363.260], such powers to be exercised under the general control or supervision of the department. The city working standards shall be submitted to the department for verification at least once each five years. The department shall have power to inspect the standards and other weighing and measuring apparatus used by city sealers and to inspect the work of the city sealers. The department may prescribe regulations for the guidance of the city sealers, which regulations shall govern the procedure to be followed by city sealers in the discharge of their duties.

Section 281. KRS 364.130 is amended to read as follows:

(1) Any person who unlawfully enters upon and cuts or saws down, or causes to be cut or sawed down, timber growing upon the land of another and without color of title in himself to the timber, or to the land upon which the timber was growing, shall be liable to the rightful owner of the timber in punitive damages.

(2) This section shall not be construed as repealing any of the provisions of Section *514.030* [433.260] of the Kentucky Revised Statutes and any penalties provided by this chapter shall be considered as additional thereto.

Section 282. KRS 365.250 is amended to read as follows:

(1) Every dealer in junk or metals, dealer in second hand articles, vendor of bottles or rags, or collector of or dealer in articles found in ashes, garbage or other refuse, whether such dealers, collectors or vendors have established places of business or operate a business of an itinerant nature, shall keep a register, which shall contain the name of the persons from whom any copper wire or cable is purchased, whatever may be the condition or length of such copper wire or cable; the residence or place of business of such persons and a full description of each purchase including the quantity by weight thereof. Each of such dealers, collectors or vendors shall permit any peace officer to inspect the register at any reasonable time and shall report to the sheriff of the county in which any purchase is made and to the sheriff of the county in which his business is located all of such purchases within twenty-four hours thereafter; the report shall contain all of the information required to be maintained in the register provided for herein.

(2) Failure to maintain the register or to report to the sheriff as required in subsection (1) shall be prima facie evidence that the person receiving copper wire or cable not registered or reported, received it knowing it to be stolen in violation of KRS *514.110* [433.290].

(3) In the event the purchase is made or the business is located in a city of the first or second class the reports required hereby shall be made to the police departments of such cities instead of the respective sheriffs.

Section 283. KRS 365.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 365.015 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100), or imprisoned for not less than ten (10) days nor more than thirty (30) days, or both, and each day that the violation continues shall constitute a separate offense.

(2) Any person who violates any of the provisions of KRS 365.020 to 365.050 shall, for each offense, be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), or imprisoned for not more than six (6) months, or both. Any person who, as agent of any person or as director, officer or agent of any corporation assists or aids in a violation of any of such provisions by the person or corporation for which he is director, officer or agent, shall be responsible therefor equally with such person or corporation, and in a prosecution brought by the local commonwealth attorney against him under this subsection it shall be sufficient to allege and prove the unlawful intent of the person or corporation for whom he acts.

(3) Any person who violates any of the provisions of KRS 365.100 shall be fined not less than two hundred dollars ($200) for each offense.

(4) Any person who violates any of the provisions of KRS 365.110 shall be fined not less than ten dollars ($10) nor more than fifty dollars ($50) for each offense.

(5) Any agent or employe of a corporation or any other person who violates any of the provisions of subsection (2) of KRS 365.220 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each offense, and each day's continuance of the violation shall constitute a separate offense.

(6) A conviction of a corporation of violating any of the provisions of KRS 365.210 or 365.220 shall operate to forfeit its charter or right to do business in this state. Proceedings may be instituted by the Commonwealth's attorney in any district in this state to forfeit the charter or right to do business in this state of any corporation violating any of the provisions of KRS 365.210 or 365.220, and to subject the corporation charged, if found guilty, to the penalty imposed in subsection (7) of this section.

(7) Any company that violates any of the provisions of KRS 365.230 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars $(1,000), and if it is a corporation it shall, upon conviction, forfeit its charter.

(8) Any person who violates any of the provisions of KRS 365.240 shall, for each offense, be fined not less than two hundred dollars ($200) nor more than one thousand dollars ($1,000), or imprisoned for not less than three (3) months nor more than one (1) year, or both.

(9) Failure to maintain the register or to make the report to the sheriff as required by KRS 365.250 shall be a misdemeanor punishable by a fine of not more than one hundred dollars ($100) or by imprisonment for not more than thirty (30) days, or both, and shall be prima facie evidence that such dealer, collector or vendor received the used copper wire or cable not registered or reported, knowing it to be stolen in violation of KRS *514.110* [433.290].

Section 284. KRS 389.010 is amended to read as follows:

(1) The real property or any right, title or interest in real property of a person under the age of eighteen (18) years, or of a person of unsound mind, whether such person be a resident or a nonresident of this state, may be sold under or by decree of a *circuit* court [of equity] of the county in which the property or any part thereof is situated for any purpose deemed by the court to be necessary or proper or beneficial to such person under disability.

(2) The decree may be rendered on a petition, counterclaim or cross-petition filed by the statutory guardian of an infant, or by the committee of a person of unsound mind, or by a next friend, or by any party against a guardian or committee, if he has one residing in this state, in any kind of similar proceeding that may be maintained against a person who is not under disability.

(3) Except in actions brought under subsection (13) of this section, if the guardian or committee of a person under disability be a party to the action, then it shall not be necessary for the person under disability to be made a party personally.

(4) If the guardian or committee of a person under disability be not a party to the action, then it shall be necessary for the person under disability to be a party personally and brought before the court in the manner authorized by the Rules of Civil Procedure.

(5) Nothing contained in subsections (2), (3) and (4) of this section shall limit the purposes of sale named in subsection (1) of this section.

(6) If the suit be filed against a guardian or committee and he shall fail to appear and defend or show that no good defense can be made, the court shall appoint a guardian ad litem to do so.

(7) The pleading seeking a sale shall file the title papers, or copies thereof, under which the property is held; shall particularly describe the property and the interest therein of the person under disability; set forth fully the reasons or purposes for which it is sought to have the same sold; and the nature and extent of all liens upon the interest of the person, if any, so far as the same may be known to the petitioner.

(8) The case may be referred by order of court to the master commissioner for hearing of evidence and report on the facts and his recommendation with respect to the relief sought in the pleadings.

(9) The allegations of the pleading shall not be taken as confessed but shall be proved by competent evidence heard on deposition or orally by the judge or commissioner. A transcript thereof shall be filed as part of the record.

(10) The proceeds of any sale may be paid to the guardian or committee provided that he shall have executed in the circuit court a bond with surety to the Commonwealth for the use and benefit of the person under disability that he will faithfully discharge his trust and will account for, pay and deliver to said person all money and other property due or belonging to him when he shall reach his majority, or if he be a person of unsound mind when he shall be legally restored, or to his heirs or personal representative, or in compliance with an order of any court of competent jurisdiction. The court shall endorse its approval on said bond, which shall be recorded on the order book; provided, that if the circuit court, upon examination of a certified copy of the bond executed in the district court of his appointment by the guardian or committee, which copy shall be filed in the circuit court, should determine, in its discretion, that said bond is adequate and sufficient, the above bond to be executed in the circuit court shall not be required. The circuit court shall enter an order in the order book that it has personally examined the certified copy of the bond executed in the district court, and found it adequate and sufficient and that no additional bond shall be required in that circuit court. The copy of the bond shall be certified as a true and correct copy of the bond by the clerk of the court in which it was executed.

(11) Subject to the above conditions, judgment may be rendered and executed in the same manner and on the same terms as judgments in similar cases where no person under disability is a party.

(12) Provided, that (a) the court may in its discretion in an ex parte or adversary proceeding authorize the guardian or committee of such person or the commissioner of the court to make said sale at public auction upon such terms and conditions as the court may order, and to convey title thereto; or (b) if the land or interest to be sold be of an appraised value of less than twenty-five hundred dollars ($2500), the court may in the judgment authorize such fiduciary to make the sale privately and convey title; subject, however, to the approval of the court before consummation.

(13) Without previous judicial proceeding or judgment the guardian of an infant or the committee of a person of unsound mind may sell privately or at public auction and convey any interest in real estate owned by a ward for such reasons and purposes and upon such terms and conditions as he shall deem best for the interest of said ward. Provided, however, that no such sale shall be consummated until same shall have been approved by the judge of the circuit court in the county where the land or a portion thereof is situated in a suit in equity filed by the guardian or committee against said infant or person of unsound mind. The petition shall set forth the reason and purposes of the sale and the terms thereof.

(14) If the person under disability be brought before the court by service of summons, a guardian ad litem shall be appointed for such person. Proof shall be taken only on notice to said guardian ad litem or, if the person under disability be constructively summoned, on notice to his warning order attorney. Proof may be taken by depositions or orally before the judge and thereafter transcribed and filed in the record of the case. The guardian ad litem or warning order attorney shall make a defense or file a report stating that after careful examination of the case he is unable to make a defense.

(15) If the court shall deem the sale advisable and the terms and price satisfactory, it shall enter an order approving the same; provided, however, that the judgment shall not be entered until the guardian or committee shall have executed a bond with approved surety in an amount not less than the sum due, or to become due, his ward from said sale providing that he will faithfully discharge all his duties as such guardian or committee and will comply with the judgment and orders of the court, and account for, pay and deliver the proceeds of the sale or property in which it shall be invested to his ward or other person entitled thereto. The bond shall be approved by the court and recorded in the order book; provided, if the share of the infant in the proceeds does not exceed one hundred dollars, exclusive of interest, no bond shall be required of the guardian; provided further, that if the circuit court, upon examination of a certified copy of the bond executed in the county of his appointment by the guardian or committee, which copy shall be filed in the circuit court, should determine in its discretion that said bond is adequate or sufficient the above bond to be executed in the circuit court shall not be required. The circuit court shall enter an order in the order book that it has personally examined the certified copy of the bond executed in the district court and found it adequate and sufficient and that no additional bond shall be required in that circuit court. The copy of the bond shall be certified as a true and correct copy of the bond by the clerk of the court in which it was executed. This proceeding shall be tried and judgment rendered in accordance with the Rules of Civil Procedure.

(16) The court shall at all times enter such orders as will conserve and protect the rights of the person under disability.

(17) No defect or error in the proceeding shall render the judgment or sale void unless the same is of the nature and character that would render the proceeding void if all parties were sui juris.

Section 285. KRS 396.180 is amended to read as follows:

Upon the death of a patient, or of a person who has been a patient, in a hospital or school operated by the department for human resources, or upon the death of a person who is obligated under KRS *210.700 to 210.760* [203.080] for the support of such a patient when such person is possessed of an estate, the executor or administrator of the deceased's estate shall upon receipt of letters of appointment, ascertain from the department whether the support as provided in KRS *210.700 to 210.760* [210.275 and 210.310] has been fully paid.

Section 286. KRS 403.240 is amended to read as follows:

If a party fails to comply with a provision of a decree *or* [of] temporary order or injunction, the obligation of the other party to make payments for support or maintenance or to permit visitation is not suspended; but he may move the court to grant an appropriate order.

Section 287. KRS 412.150 is amended to read as follows:

(1) The creditor must be made defendant to an action brought pursuant to KRS 412.140, but shall not be liable for costs.

(2) The provisions of KRS 453.220 to 453.245, KRS *425.301 to 425.316 and 425.501 to 425.526* [425.185 to 425.370 and KRS 425.470 to 425.520 (1)] shall apply to such action[, except so far as they are modified by KRS 425.405, 425.410, paragraphs (1) and (2) of KRS 425.420 and KRS 425.425, which are also made applicable to such action; and except, also, that the affiant mentioned in KRS 425.010 and 425.195, instead of stating the sum which the affiant believes the plaintiff ought to recover, shall state the sum which the affiant believes the defendant ought to pay].

Section 288. KRS 412.160 is amended to read as follows:

In an action for the recovery of money in which the defendant may have given bond with sureties, or for whom sureties may have given bond, pursuant to the provisions of subsection (1) of KRS *425.116* [425.280, subsection (1) of KRS 425.305 and KRS 425.465]; or in which an appellant may have given bond with sureties, or for whom sureties may have given bond, for the purpose of appeal from an inferior court to a circuit court or for the purpose of a supersedeas pending an appeal to the Court of Appeals — if such defendant or appellant have thereafter become a bankrupt under the laws of the United States, upon notice thereof from his adversary being served on the sureties, by summons, the court shall decide whether or not anything, and, if anything, how much, should have been adjudged against the defendant or appellant, but for the bankruptcy; and such decision shall be conclusive as to the liability of the sureties; but they shall not be liable upon a bond given pursuant to subsection (1) of KRS *425.116* [425.280], if property released from an attachment by reason thereof, or its proceeds, have lawfully come to the defendant's or appellant's assignee in bankruptcy.

Section 289. KRS 421.210 is amended to read as follows:

(1) In all actions between husband and wife, or between either or both of them and another, either or both of them may testify as other witnesses, except as to confidential communications between them during marriage, provided, however, that in an action for absolute divorce or divorce from bed and board, either or both of them may testify concerning any matter involved in the action, including questions of property, and provided further, that neither may be compelled to testify for or against the other.

(2) Subject to the provisions of subsection *(6)*[(7)] of this section, no person shall testify for himself concerning any verbal statement of, or any transaction with, or any act done or omitted to be done by an infant under fourteen years of age, or by one who is of unsound mind or dead when the testimony is offered to be given except for the purpose, and to the extent, of affecting one who is living, and who, when over fourteen years of age and of sound mind, heard such statement, or was present when such transaction took place, or when such act was done or omitted, and except in actions for personal injury, death or damage to property by negligence or tortious acts, unless:

(a) The infant or his guardian shall have testified against such person, with reference to such statement, transaction or act; or

(b) The person of unsound mind shall, when of sound mind, have testified against such person, with reference thereto; or

(c) The decedent, or a representative of, or someone interested in, his estate, shall have testified against such person, with reference thereto; or

(d) An agent of the decedent or person of unsound mind, with reference to such act or transaction, shall have testified against such person, with reference thereto, or be living when such person offers to testify, with reference thereto.

(3) No person shall testify for himself, in chief, in an ordinary action, after introducing other testimony for himself, in chief; nor in an equitable action, after taking other testimony for himself, in chief.

(4) No attorney shall testify concerning a communication made to him, in his professional character, by his client, or his advice thereon, without the client's consent; nor shall an ordained minister, priest, rabbi or accredited practitioner of an established church or religious organization be required to testify in any civil or criminal case or proceedings preliminary thereto, or in any administrative proceeding, concerning any information confidentially communicated to him in his professional capacity under such circumstances that to disclose the information would violate a sacred or moral trust, unless the person making the confidential communication waives such privilege herein provided.

(5) If the right of a person to testify for himself be founded upon the fact that one who is dead or of unsound mind has testified against him, the testimony of such person shall be confined to the facts or transactions to which the adverse testimony related.

(6) A person may testify for himself as to the correctness or original entries made by him against persons who are under no disability — other than infancy — in an accounting, according to the usual course of business though the person against whom they were made may have died or have become of unsound mind; but no person shall testify for himself concerning entries in a book, or the contents or purport of any writing, under the control of himself, or of himself and others jointly, if he refuse or fail to produce such book or writing, and to make it subject to the order of the court for the purposes of the action, if required to do so by the party against whom he offers to testify.

(7) The assignment of a claim by a person who is incompetent to testify for himself shall not make him competent to testify for another.

(8) A party may be examined as if under cross-examination at the instance of the adverse party, either orally or by deposition as any other witness; but the party called for such examination shall not be concluded thereby, but may rebut it by counter testimony.

(9) None of the preceding provisions of this section apply to affidavits for provisional remedies, or to affidavits of claimants against the estates of deceased or insolvent persons, or affect the competency of attesting witnesses of instruments which are required by law to be attested.

Section 290. KRS 422.170 is amended to read as follows:

(1) The party desiring to perpetuate any testimony as provided in KRS 422.160 shall file, in the circuit clerk's office in the county where the real property is located, a statement which shall set forth that he has a title to the real property about which he desires to take testimony or evidence.

(2) (a) If any parties who may be interested or claim to be interested in the real property are known to the party filing the statement, the statement shall be directed to them and shall give their names and addresses, if known, and if they are nonresidents of this state, the state or county in which they reside, if known.

(b) If one or more of the parties are unknown, the statement shall be directed to the parties known to be interested, with the statement in the caption, "to whom it may concern, and to all parties interested in the real property herein described."

(c) If no person is known to be interested in the real property, the statement shall be directed "to any and all parties interested in following described real estate," setting forth by description the real estate about which testimony is to be taken.

(3) The statement shall also set forth the time and place the depositions *are to* be taken, and the names of one or more witnesses whose testimony or evidence is to be taken at the time stipulated in the statement. The statement shall be subscribed and verified by the party filing it or by his attorney, representative or agent and shall be filed before the notice provided for in KRS 422.180 shall be given.

(4) Upon the filing of the statement, the circuit clerk shall mark it "filed," and record it in a book kept by him for that purpose, properly labeled and indeed, for which recording he shall receive a fee of one dollar.

(5) If any claimant or probable claimant to whom the statement is directed is an infant, a lawyer guardian ad litem, shall be designated to represent such infant, by the clerk of the court. The clerk shall appoint an attorney to represent nonresident interested parties, claimants, or probable claimants. The same lawyer may be appointed to represent as attorney and guardian ad litem nonresident parties whether infants or not.

Section 291. KRS 422.300 is amended to read as follows:

Medical charts or records of any hospital licensed under KRS *216.405 to 216.485* [216.430 (or exempt from licensure as provided in that section)] that are susceptible to photostatic reproduction may be proved as to foundation, identity and authenticity without any preliminary testimony, by use of legible and durable copies, certified in the manner provided herein by the employe of the hospital charged with the responsibility of being custodian of the originals thereof. Said copies may be used in any trial, hearing, deposition or any other judicial or administrative action or proceeding, whether civil or criminal, in lieu of the original charts or records which, however, the hospital shall hold available during the pendency of the action or proceeding for inspection and comparison by the court, tribunal or hearing officer and by the parties and their attorneys of record.

Section 292. KRS 424.340 is amended to read as follows:

The *circuit* [county] clerk shall, at least once each month, cause to be published in the newspaper meeting the requirements of KRS 424.120, a notice setting forth all fiduciary appointments made since the last publication and including at least the following information: the name and address of the decedent or ward, the name and address of the fiduciary, the date of the fiduciary's appointment, and the date by which claims of creditors must be filed. The clerk may charge each fiduciary a fee not to exceed the actual proportionate cost of said notice. Publication of this notice shall neither enlarge nor reduce the obligation of a creditor to present a timely claim, nor the liability of the fiduciary or distributee to pay the same.

Section 293. KRS 425.021 is amended to read as follows:

(1) Not less than ten (10) days prior to *a* [the] hearing [required by KRS 425.016], the defendant shall be served with all of the following:

(a) A copy of the complaint;

(b) A notice of application and hearing; and

(c) A copy of the motion for a writ of possession and any affidavit in support thereof.

(2) Service of the pleadings as required in subsection (1) of this section shall be obtained by delivering such pleadings to the defendant or, if after diligent search the defendant cannot be found, by sending them by certified mail, return receipt requested, to his last known place of residence. If personal service is not made, the person who attempted service on the defendant shall verify by affidavit filed with the court that a diligent search for the defendant was made and shall describe in the affidavit his efforts to serve the defendant.

Section 294. KRS 425.101 is amended to read as follows:

(1) After the levying officer takes possession pursuant to a writ of possession, he shall keep the property in a secure place. Except as otherwise provided by KRS *425.081* [425.018].

(a) If bond with sufficient surety for redelivery is not filed and plaintiff's sureties are not excepted to, the sheriff shall deliver the property to plaintiff 10 days after levy of the writ of possession, upon receiving his fees for taking and necessary expenses for keeping the property.

(b) If a bond with sufficient surety is filed within 10 days after levy of the writ of possession and defendant's sureties are not excepted to, the sheriff shall redeliver the property to defendant upon expiration of the time to so except, upon receiving his fees for taking and necessary expenses for keeping the property not already paid or advanced by the plaintiff.

(c) If the plaintiff's sureties are excepted to, or if a bond for redelivery is filed within 10 days after levy of the writ of possession and defendant's sureties are excepted to, the sheriff shall not deliver or redeliver the property until the time provided in KRS 425.121.

(2) Notwithstanding subsection (1), where not otherwise provided by contract, upon a showing that the property is perishable or will greatly deteriorate or depreciate in value or for some other reason that the interests of the parties will best be served thereby, the judicial officer may order that the property be sold and the proceeds deposited in the court to abide the judgment in the action.

Section 295. KRS 425.306 is amended to read as follows:

(1) Before a debt or liability upon a contract becomes due or matures, an equitable action for indemnity may be brought by a creditor against his debtor; by a surety against his principal; or by one who is jointly liable with another for such debt or liability, against the latter:

(a) If the defendant be about to depart from this state, and, with intent to defraud his creditors, have concealed or removed from this state his property, or so much thereof that the process of court, after judgment, cannot be executed.

(b) If there exist against the defendant any of the grounds for an attachment which are mentioned in paragraphs (c), (d), (e), (f), (g) and (h) of subsection (1) of KRS 425.301.

(2) Upon an action being filed, if the petition shows the existence of any of the grounds specified in paragraph (b) of subsection (1) of this section the court may order an attachment [subject to KRS 425.311].

SECTION 296. KRS 425.312 IS REPEALED AND REENACTED AS KRS 425.012:

(1) Before a writ of possession shall issue by the clerk, the person seeking the writ must first make a demand in writing at or after the time the suit is filed, by delivering such demand and a copy of the complaint, motion and summons to the defendant or by sending them to him by registered or certified mail, return receipt requested, to the last known place of residence, at least seven (7) and not more than sixty (60) days before such order is sought. The demand shall contain a statement in substance that the defendant has seven (7) days in which to petition the court for a hearing or in which to pay the amount claimed in the complaint in full, and that unless a hearing is set or the amount paid, a writ of possession will issue. The statement shall identify the court in which the suit has been filed, the grounds therefor, the date of the demand, the amount claimed, and the name and address of the plaintiff and his attorney. An affidavit of the plaintiff or his attorney evidencing compliance with this subsection shall be filed before a writ shall be issued.

(2) The writ of possession shall be issued by the clerk upon compliance with subsection (1) of this section unless the defendant has requested a hearing, in which case a hearing shall be conducted pursuant to KRS 425.031.

Section 297. KRS 427.045 is amended to read as follows:

The exemptions provided in KRS [425.210,] 427.010 to 427.040 shall not apply for executions, attachments, or garnishments, issued for the collection of maintenance of minor children.

Section 298. KRS 431.021 is amended to read as follows:

(1) A guaranteed arrest bond certificate presented by the person whose signature appears thereon shall be accepted in lieu of cash bail in an amount not to exceed two hundred dollars as a bail bond to guarantee the appearance of such person in any court of this Commonwealth, at the time required by such court, when he is arrested for violation of any law of this Commonwealth or traffic ordinance of any municipality therein relating to the operation of a motor vehicle. A guaranteed arrest bond certificate so presented as a bail bond is subject to the same forfeiture and enforcement provisions as a bail bond or cash bail, but is not subject to *Rules 4.30 and 4.34* [Rule 4.08] of the Kentucky Rules of Criminal Procedure. However:

(a) The violation must have been committed prior to the expiration date shown on the guaranteed arrest bond certificate, and

(b) A guaranteed arrest bond certificate may not be accepted when a person is arrested for violation of subsection (2) of KRS 189.520 or KRS Chapter 281.

(2) As used in this section, "guaranteed arrest bond certificate" means a printed card or other certificate issued by an association to any of its members, which is signed by the member and contains a printed statement that such association and a surety company licensed to do business in this Commonwealth:

(a) Guarantee the appearance of the person whose signature appears on the card or certificate, and

(b) Will, in the event of the failure of such person to appear in court at the time set for appearance, pay any fine or forfeiture imposed upon such person in an amount not to exceed two hundred dollars.

Section 299. KRS 431.451 is amended to read as follows:

(1) Offenses for which citations may be issued and for which the minimum fine may be prepaid are: KRS 150.170, 150.175, 150.237, 150.280, 150.290, 150.305, 150.320, 150.340, 150.370, 150.400, 150.410,

150.412, 150.440, 150.445, 150.450, 150.470, 150.660, 150.993, 186.020, 186.050, 186.070, 186.190, [187.320,] 189.020, 189.025, 189.030, 189.040, 189.045, 189.050(1)(2), 189.055, 189.060, 189.070, 189.080, 189.090(1)(2)(3), 189.095, 189.100, 189.110, 189.120, 189.130, 189.140, 189.150, 189.160, 189.170, 189.190, 189.205, 189.231, 189.285, 189.290, 189.300, 189.310, 189.330, 189.338, 189.340, 189.350, 189.375, 189.380, 189.390, 189.430, 189.450, 189.470, 189.480, 189.550, 189.560, 189.570, 189.580(2), [189.645,] 189.820, and 189.940(5).

(2) Offenses for which citations may be issued but for which no prepayment of the fine may be made are: KRS 138.570, 138.630, 138.665, 177.230, 177.300, 186.052, 186.053, 186.170, 186.200, 186.210, 186.410, 186.450, 186.510, 186.540, 186.600, 186.610, 186.620, 186.630, 187.990(2), 189.050(3)(4), 189.090(4), 189.221, 189.222, 189.223, 189.224, 189.270, 189.370, 189.393, 189.500, 189.505, 189.520, 189.530, 189.565, 189.580, 189.751, 189.920, 189.930, 189.950, 281.615, 281.720, 281.726 and 281.804.

Section 300. KRS 439.179 is amended to read as follows:

(1) Any person sentenced to a jail for a misdemeanor, nonpayment of a fine or forfeiture, or contempt of court, may be granted the privilege of leaving the jail during necessary and reasonable hours for any of the following purposes:

(a) Seeking employment; or

(b) Working at his employment; or

(c) Conducting his own business or other self-employment occupation including, in the case of a woman, housekeeping and attending the needs of her family; or

(d) Attendance at an educational institution; or

(e) Medical treatment.

(2) Unless such privilege is expressly granted by the court, the prisoner is sentenced to ordinary confinement. The prisoner may petition the sentencing court for such privilege at the time of sentence or thereafter, and, in the discretion of the sentencing court, may renew his petition. The sentencing court may withdraw the privilege at any time by order entered with or without notice.

(3) The jailer shall notify the department for human resources which shall endeavor to secure employment for unemployed prisoners under this section. If a prisoner is employed for wages or salary, they shall, by wage assignment, be turned over to the district court which shall deposit the same in a trust checking account and shall keep a ledger showing the status of the account of each prisoner. Such wages or salary are not subject to garnishment of either the employer or the district court during the prisoner's term, and shall be disbursed only as provided in this section; but for tax purposes they are the income of the prisoner.

(4) Every prisoner gainfully employed is liable for the cost of his board in the jail, at the amount established by law. If he defaults his privilege under this section is automatically forfeited. *All moneys shall be collected by the district court and paid to the state treasury* [In those cases where the prisoner is confined for a breach of the bylaws or ordinances of a city, or for violation of a statute where the city gets the benefit of the fine, the board will be paid by the district court to the city treasury. In those cases where the prisoner is confined for contempt, board shall be paid by the district court to the state treasury. In all other cases the fiscal court shall receive the wages earned and disburse the funds as provided in subsection (5)]. The fiscal court may, by ordinance, provide that the county furnish or pay for the transportation of prisoners employed under this section to and from the place of employment.

(5) Unless otherwise ordered by the sentencing court, the wages or salaries of employed prisoners shall be disbursed by the district court on a monthly basis for the following purposes and in the order stated:

(a) The board of the prisoner;

(b) Support of the prisoner's dependents, if any;

(c) Payment, either in full or ratably, of the prisoner's obligations acknowledged by him in writing or which have been reduced to judgment;

(d) The balance, if any, to the prisoner upon his discharge.

(6) If the prisoner was convicted in a justice or a police court, the district judge shall have authority and jurisdiction to make all determinations and orders under this section as might otherwise be made by the sentencing court after the prisoner is received at the jail.

(7) The *sentencing* [district] court may direct that its functions under subsections (3) or (5) or both be performed by any bonded public official. Such order shall remain in force until rescinded by the district court.

(8) The bureau of corrections shall, at the request of the district judge, investigate and report on the amount necessary for the support of the prisoner's dependents.

(9) The jailer may refuse to permit the prisoner to exercise his privilege to leave the jail as provided in subsection (1) for any breach of discipline or other violation of jail regulations for a period not to exceed 5 days.

(10) Nothing in this statute shall be construed to affect KRS 64.150 which provides for the payment of fees to the jailer. In this section "jail" refers to all misdemeanant institutions, and "jailer" to the superintendent thereof, but, in counties of the first class, "jailer" designates the sheriff who serves as superintendent of the jail.

(11) In counties containing an urban-county form of government, the duties, responsibilities and obligations vested herein in the bureau of corrections shall be performed by the adult misdemeanant probation and work release agency of the urban-county government.

Section 301. KRS 440.480 is amended to read as follows:

Nothing in KRS 440.450 to 440.510 or in the agreement on detainers shall be construed to require the application of KRS *532.080* [431.190] to any person on account of any conviction had in a proceeding brought to final disposition by reason of the use of said agreement.

Section 302. KRS 440.490 is amended to read as follows:

An escape from custody in another state while in custody in another state pursuant to the agreement on detainers shall be deemed, for all purposes, as an escape from confinement in this state and may be punished as provided by KRS *520.020 to 520.040 and 506.010* [432.370, 432.380, 432.390], or other provision of law, as applicable.

Section 303. KRS 452.350 is amended to read as follows:

KRS 452.210 to *452.330* [452.340] apply to criminal or penal actions in circuit and district courts.

Section 304. KRS 454.060 is amended to read as follows:

(1) If an injunction be granted to stay proceedings upon a levy made under an execution, and the party applying for the injunction desire to discharge the levy, he shall execute a bond to the effect that he will satisfy the execution to the extent to which the injunction may be dissolved, not exceeding the value of the property released; and upon the execution of such bond, and the issuing of the injunction, the levy shall be discharged. If he do not desire to release the levy, he may execute a bond to the effect that, upon a dissolution of the injunction, in whole or in part, he will have the property, or its value, forthcoming and subject to the order of the court; and, upon the execution of such bond, and the issuing of the injunction, the property levied on shall be delivered to him. [For the purpose of ascertaining the value of the property, it shall be appraised as directed in subsection (2) of KRS 425.280.]

(2) If such injunction extend further than the stay of proceedings upon the levy, the party shall give such additional bond as the court, judge or officer granting the injunction may direct.

(3) In all other cases, the court, judge or officer granting the injunction shall, in the order granting it, fix the amount of the bond to be given, and may prescribe its terms. If the terms of the bond be not so prescribed, it shall be to the effect that the party giving it will pay to the party enjoined such damages as he may sustain, if it be finally decided that the injunction ought not to have been granted.

(4) If the injunction be to stay proceedings upon a judgment, the amount of the bond shall be sufficient to cover, with other damages, the sum of money for which judgment was rendered, with five years' interest thereon, and the rent, hire or value of the use, for two years, of property for which judgment was given; and, in case of personal property, its value also.

Section 305. KRS 454.160 is amended to read as follows:

No lien on the property of a defendant constructively summoned shall be created otherwise than by an attachment, as is provided in KRS *425.301 to 425.316* [425.185 to 425.520], or by judgment; nor shall any person be restrained from paying or delivering any money or property in his hands belonging or due to such defendant, by notice indorsed on the summons, or otherwise than by attachment or judgment.

Section 306. KRS 506.120 is amended to read as follows:

No person, with the purpose to establish or maintain a criminal syndicate or to facilitate any of its activities, shall do any of the following:

(1) Organize or participate in organizing a criminal syndicate or any of its activities;

(2) Provide material aid to a criminal syndicate or any of its activities, whether such aid is in the form of money or other property, or credit;

(3) Manage, supervise, or direct any of the activities of a criminal syndicate, at any level of responsibility;

(4) Knowingly furnish legal, accounting, or other managerial services to a criminal syndicate;

(5) Commit, or conspire or attempt to commit, or act as an accomplice in the commission of, any offense of a type in which a criminal syndicate engages on a continuing basis;

(6) Commit, or conspire or attempt to commit or act as an accomplice in the commission of, any offense of violence;

(7) Commit, or conspire or attempt to commit, or act as an accomplice in the commission of bribery in violation of KRS Chapters 518 or 521, or KRS *119.205, 121.025, 121.055, 524.070* [123.010, 123.040], 156.465, *45A.340* [160.991, 124.190, 61.096], 63.090, 6.080, 18.320, 244.390 *or* [,] 244.600 [or 29.350].

(a) Whoever violates this section is guilty of engaging in organized crime, which shall be a class B felony.

(b) As used in this section "criminal syndicate" means five (5) or more persons collaborating to promote or engage in any of the following on a continuing basis:

1. Extortion or coercion in violation of KRS 514.080, 276.280, 276.310, or 521.020;
2. Engaging in, promoting, or permitting prostitution in violation of KRS chapter 529;

3. Any theft offense as defined in KRS Chapter 514;

4. Any gambling offense as defined in KRS 411.090, KRS Chapter 528, or Section 226 of the Constitution.

5. Illegal trafficking in controlled substances as prohibited by KRS Chapter 218A, in intoxicating or spirituous liquor as defined in KRS Chapters 242 or 244, or in destructive devices or booby traps as defined in KRS Chapter 237;

6. Lending at usurious interest, and enforcing repayment by illegal means in violation of KRS Chapter 360.

Section 307. KRS 528.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Advancing gambling activity" — A person "advances gambling activity" when, acting other than as a player, he engages in conduct that materially aids any form of gambling activity. Such conduct includes but is not limited to conduct directed toward the establishment of the particular game, contest, scheme, device or activity involved; toward the acquisition or maintenance of premises, paraphernalia, equipment or apparatus therefor; toward the solicitation or inducement of persons to participate therein; toward the actual conduct of the playing phases thereof; toward the arrangement of any of its financial or recording phases or toward any other phase of its operation. A person who gambles at a social game of chance on equal terms with other participants does not otherwise advance gambling activity by performing acts, without remuneration or fee, directed toward the arrangement or facilitation of the game as inviting persons to play, permitting the use of premises therefor and supplying equipment used therein.

(2) "Bookmaking" means advancing gambling activity by unlawfully accepting bets upon the outcome of future contingent events from members of the public as a business.

(3) "Gambling" means staking or risking something of value upon the outcome of a contest, game, gaming scheme or gaming device which is based upon an element of chance, in accord with an agreement or understanding that someone will receive something of value in the event of a certain outcome.

(4) "Gambling device" means:

(a) Any so-called slot machine or any other machine or mechanical device an essential part of which is a drum or reel with insignia thereon, and which when operated may deliver, as a result of the application of an element of chance, any money or property, or by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property; or

(b) Any other machine or any mechanical or other device (including but not limited to roulette wheels, gambling tables and similar devices) designed and manufactured primarily for use in connection with gambling and which when operated may deliver, as the result of the application of an element of chance, any money or property, or by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property.

(c) But, the following are not to be considered gambling devices within this definition:

1. Devices dispensing or selling combination or French pools on licensed, regular racetracks during races on said tracks.

2. Electro-mechanical pinball machines specially designed, constructed, set up and kept to be played for amusement only; provided any such pinball machine shall be made to receive and react only to the deposit of coins [and no more] during the course of a game; provided the ultimate and only award given directly or indirectly to any player for the attainment of a winning score or combination on any such pinball machine shall be the right to play one or more additional games immediately on the same device at no further cost; provided the maximum number of free games that can be won, registered, or accumulated at one time in operation of any such pinball machine shall not exceed thirty free games; provided any such pinball machine shall be made to discharge accumulated free games only by reactivating the playing mechanism once for each game released; and provided any such pinball machine shall be made and kept with no meter or system to preserve a record of free games played, awarded or discharged. Nonetheless, a pinball machine shall be a gambling device if a person gives or promises to give money, tokens, merchandise, premiums or property of any kind for scores, combinations or free games obtained in playing such pinball machine in which such person has an interest as owner, operator, keeper or otherwise.

(5) "Lottery and gift enterprise" means:

(a) A gambling scheme in which:

1. The players pay or agree to pay something of value for chances, represented and differentiated by numbers or by combinations of numbers or by some other media, one or more of which are to be designated the winning ones; and

2. The winning chances are to be determined by a drawing or by some other method based upon the element of chance; and

3. The holders of the winning chances are to receive something of value.

(b) A gift enterprise or referral sales plan which meets the elements of a lottery listed in subsection (5)(a) is to be considered a lottery under this chapter.

(6) "Mutuel" or "the numbers games" means a form of lottery in which the winning chances or plays are not determined upon the basis of a drawing or other act on the part of persons conducting or connected with the scheme, but upon the basis of the outcome or outcomes of a future contingent event or events otherwise unrelated to the particular scheme.

(7) "Player" means a person who engages in any form of gambling solely as a contestant or bettor, without receiving or becoming entitled to receive any profit therefrom other than personal gambling winnings, and without otherwise rendering any material assistance to the establishment, conduct or operation of the particular gambling activity. A person who engages in "bookmaking" as defined in subsection (2) is not a "player." The status of a "player" shall be a defense to any prosecution under this chapter.

(8) "Profiting from gambling activity" — A person "profits from gambling activity" when, other than as a player, he accepts or receives or agrees to accept or receive money or other property pursuant to an agreement or understanding with any person whereby he participates or is to participate in the proceeds of gambling activity.

(9) "Something of value" means any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise directly or indirectly contemplating transfer of money or property or of any interest therein, or involving extension of a service, entertainment or a privilege of playing at a game or scheme without charge.

Section 308. KRS 311.607 is amended to read as follows:

(1) Except for disciplinary actions taken pursuant to KRS 311.595*(7)*[(g)] and KRS 311.599, a licensee who has had his license revoked may, after two (2) years from the effective date of the revocation order, petition the board for a license to again practice in the Commonwealth of Kentucky.

(2) The board shall not be required to issue a new license as described in subsection (1). No new license shall be issued to such former licensee unless the applicant satisfies the board that he is presently of good moral character and qualified both physically and mentally to resume the practice of medicine without undue risk or danger to his patients or the public.

(3) In the event that the board should issue a new license under the circumstances as described in this section, the new license shall be under probation for a period of not less than two (2) years nor more than five (5) years, and any subsequent violation during the probation period shall result in automatic revocation of license.

Section 309. KRS 186.490 is amended to read as follows:

The circuit clerk of each county shall:

(1) Comply with all rules and regulations issued by the department under KRS 186.400 relating to his duties;

(2) Act for the department for the purpose of issuing temporary operator's licenses and instruction permits;

(3) Administer the oath required by KRS 186.412 to the applicant without fee;

(4) Report and remit each Monday to the *state* [department of revenue] all moneys collected during the preceding week and remit a copy of all applications taken by him during the same period to the Department of Transportation. Upon failure of any clerk to report and remit therefor more than seven (7) days after the due date, he shall pay, in addition to the amount due, a penalty of ten per cent (10%) of the amount due. Penalties collected under this section shall be paid into the state treasury as a part of the revenue collected under KRS 186.531;

(5) Keep adequate records of all moneys collected and remitted to the *state* [department]; and

(6) Keep in his office at all times available to the department a record of all temporary licenses issued in his county, all denials, cancellations, suspensions, revocations or withdrawals of operator's licenses or motorcycle operator's licenses within his county and, to the extent that he is advised, of all other withdrawals of the privilege to operate a motor vehicle on the highways.

Section 310. The following KRS sections are repealed:

45.395 Fair trade law not applicable to state purchases.

69.550 Percentage of fines and forfeitures may be allowed city attorneys in cities of the fourth, fifth and sixth classes.

182.230 Report or judgment not to bar regular action or prosecution.

278.045 Transfer of functions of electrical inspection.

288.660 Construction of chapter as to contracts entered before June 16, 1960.

The Committee Amendment No. 1 to **HB 609** is as follows:

Amend printed copy of **HB 609** on page 142, line 18 by deleting the following: "KRS 164.150 is amended to read as follows:

"No member of the board of trustees shall be held to be a public officer by reason of his membership on the board except as provided in KRS *45A.335* [61.094] for the purpose of KRS *45A.340* [61.096]." and by inserting in lieu thereof the following: "KRS 205.520 is amended to read as follows:

(1) KRS 205.510 to 205.610, *and* 205.991 [and 211.106] shall be known as the "medical assistance act."

(2) The general assembly of the commonwealth of Kentucky recognizes and declares that it is an essential function, duty and responsibility of the state government to provide medical care to its indigent citizenry; and it is the purpose of KRS 205.510 to 205.610, *and* 205.991 [and 211.106] to provide such care.

(3) Further, it is the policy of the commonwealth to take advantage of all federal funds that may be available for medical assistance. To qualify for federal funds the secretary of the department for human resources may by regulation comply with any requirement that may be imposed or opportunity that may be presented by federal law. Nothing in KRS 205.510 to 205.610, *and* 205.991 [or KRS 211.106] is intended to limit the secretary's power in this respect."

Calendar

SB 146, SB 142, HR 65, HB 550, HB 470, HB 469, HB 450, HB 326, HB 488, HB 519, HB 562, HB 585, HB 176, HB 345, HB 425, HB 288, HB 455, HB 600, HB 349, HR 24, HB 540, HB 587, HB 603, HB 642, HB 643, HB 656, HB 657, HB 658, HB 664, SB 143, HB 535, HB 669, HB 502, HB 552, and **HB 395** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of the members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 158, with Senate Amendment attached thereto, taken from Orders of the Day. Representative B. Richardson moved the reading and consideration of the Senate Amendment. Agreed.

Representative Burch moved that the House concur in the following Senate Amendment No. 1 to **HB 158:**

Amend printed copy of **HB 158** on page 1, line 13 by deleting the "semi-colon" and inserting in lieu thereof: ", and upon whom an autopsy has been otherwise ordered pursuant to KRS 72.410;".

On the roll call the vote was yeas 50-Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Burch, Caldwell, Cawood, Curd, Davenport, DeFalaise, Dunn, Ellington, Farrow, Foster, Freibert, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Lundergan, Mann, McNutt, Moberly, Noe, O'Brien, Patrick, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Sale, Schmidt, Stone, Thomason, Tobin, Van Horn, Williams, Yates. Nays 29-Adams, Allen, Arnold, Blair, Clarke, Craddock, Crupper, Cyrus, Dawahare, DeMarcus, Deskins, Fryman, Gray, Head, Layman, LeMaster, Lewis, List, Maynard, Morris, Overstreet, Plummer, Stumbo, Thomas, Turner, Weinberg, White, Wilborn, Wright.

The motion that the House concur in the Senate Amendment to **HB 158** was adopted.

Representative Burch moved that **HB 158,** as amended by the Senate, be passed.

On the roll call the vote was yeas 56-Arnold, Bendl, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clark, Craddock, Davenport, DeFalaise, Donnermeyer, Farrow, Foster, Freibert, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lundergan, Mann, McNutt, Moberly, Nett, Noe, O'Brien, Patrick, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Stone, Thomason, Tobin, Van Horn, Williams, Yates. Nays 37-Adams, Allen, Bennett, Blair, Bruce, Burnette, Clarke, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Fryman, Gray, Head, Layman, Lewis, List, Little, May, Maynard, Morris, Overstreet, Pearman, Plummer, Smith, Stumbo, Thomas, Turner, Weinberg, White, Wilborn, Worthington, Wright.

HB 158, as amended by the Senate was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 158,** as amended by the Senate, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 119, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of the Floor Amendment No. 1 to **HB 119.** Agreed.

Representative Arnold moved that **HB 119,** as amended, be passed.

On the roll call the vote was yeas 81-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Sale, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 119, as amended, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 119,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 299, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Committee Substitute to **HB 299.** Agreed.

Representative Bendl moved that **HB 299,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 65-Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Hancock, Heleringer, Hines, Isler, Johnson, Kenton, Kidd, LeMaster, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, B. Richardson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Williams, Yates. Nays 25-Adams, Allen, Burnette, Clarke, Dawahare, DeFalaise, DeMarcus, Ellington, Freibert, Fryman, Hearing, Head, Holbrook, Layman, List, McKinney, Moberly, Plummer, Rattliff, Richards, Riner, Turner, Wilborn, Worthington, Wright.

HB 299, by way of Committee Substitute, was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 299,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 106, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Foster moved the adoption of the Committee Substitute to **HB 106.** Rejected.

Representative B. Richardson moved that the vote on Committee Substitute to **HB 106** be reconsidered.

On the roll call the vote was yeas 57-Adams, Arnold, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Clarke, Crupper, Cyrus, Dawahare, DeFalaise, Donnermeyer, Ellington, Farrow, Foster, Freibert, Gray, Haering, Head, Heleringer, Holbrook, Isler, Jones, Kenton, List, May, McKinney, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Wilborn, Wright. Nays 18-Allen, Barrows, Cawood, Curd, Davenport, DeMarcus, Deskins, Fryman, Layman, Little, Mann, Moberly, Robinson, Van Horn, Weinberg, White, Williams, Worthington.

The motion that the vote on the Committee Substitute to **HB 106** be reconsidered was adopted.

Representative Foster moved the adoption of the Committee Substitute to **HB 106.**

On the roll call the vote was yeas 40-Adams, Arnold, Bendl, Blandford, Boswell, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Cyrus, DeFalaise, Ellington, Foster, Gray, Haering, Hancock, Head, Holbrook, Isler, Kenton, May, Morris, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Smith, Stone, Thomason, Wright. Nays 36-Allen, Barrows, Blythe, Brinkley, Cawood, Clarke, Crupper, Curd, Davenport, Dawahare, DeMarcus, Deskins, Farrow, Freibert, Fryman, Layman, LeMaster, List, Little, Mann, McBee, McKinney, McNutt, Moberly, Nett, Noe, Rapier, Robinson, Stumbo, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington.

The motion that the Committee Substitute to **HB 106** be adopted was adopted.

Representative Foster moved that **HB 106,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 48-Adams, Arnold, Bendl, Blandford, Boswell, Bronger, Brown, Bruce, Burnette, Clapp, Cyrus, Davenport, Dawahare, DeFalaise, Ellington, Foster, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Isler, Kenton, Kidd, List, Lundergan, May, Maynard, Morris, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Stone, Thomason, Turner, Wright. Nays 36-Allen, Barrows, Bennett, Blair, Blythe, Caldwell, Cawood, Clarke, Craddock, Crupper, Curd, DeMarcus, Deskins, Donnermeyer, Farrow, Freibert, Fryman, Layman, LeMaster, Little, Mann, McBee, McNutt, Moberly, Nett, Petty, Rapier, Smith, Stumbo, Thomas, Van Horn, Weinberg, White, Wilborn, Williams, Worthington.

HB 106, by way of Committee Substitute, was passed and the title agreed to.

Representative Foster moved that the vote by which **HB 106,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 178, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved the adoption of the Committee Amendment No. 1 to **HB 178.**

On the roll call the vote was yeas 78-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Romines, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 2-Robinson, Turner.

Committee Amendment No. 1 to **HB 178** was adopted.

Representative Weinberg moved that **HB 178,** as amended, be passed.

Representative Guenthner moved that further discussion of **HB 178** be postponed indefinitely.

On the roll call the vote was yeas 5-Allen, Burch, Fryman, Guenthner, Riner. Nays 70-Adams Barrows, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Haering, Hancock, Head, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McKinney, McNutt, Moberly, Morris, Nett, Noe, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates.

The motion that further discussion of **HB 178** be postponed indefinitely was rejected.

On the roll call the vote was yeas 74-Adams, Arnold, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Head, Hines, Isler, Johnson, Kenton, Kidd, Layman, List, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 17-Allen, Barrows, Blair, DeFalaise, Fryman, Guenthner, Hancock, Heleringer, Holbrook, LeMaster, Lewis, Little, Pearman, Plummer, Rattliff, Robinson, Wilborn.

HB 178, as amended, was passed and the title agreed to.

Representative Weinberg moved that the vote by which **HB 178,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 333 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curd moved that **HB 333** be passed.

On the roll call the vote was yeas 70-Adams, Allen, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clapp, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Fryman, Gray, Haering, Hancock, Head, Hines, Isler, Johnson, Kenton, LeMaster, Lundergan, Mann, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Wilborn, Williams, Wright, Yates. Nays 12-Arnold Burnette, J. Clarke, Freibert, Holbrook, Layman, Lewis, Little, Maynard, Sale Weinberg, Worthington.

HB 333 was passed and the title agreed to.

Representative Curd moved that the vote by which **HB 333**, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 418, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of the Floor Amendment No. 1 to **HB 418.**

On the roll call the vote was yeas 75-Adams, Allen, Arnold, Barrows, Bennett, Blandford, Boswell, Brinkley, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, Overstreet, Petty, Plummer, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 11-Bronger, Brown, DeFalaise, Dunn, Ellington, Layman, McKinney, McNutt, O'Brien, Pearman, Tobin.

Floor Amendment No. 1 was adopted.

Representative Richards moved that **HB 418,** as amended, be passed.

Representative Van Horn moved the adoption of the Floor Amendment No. 2 to **HB 418.**

On the roll call the vote was yeas 25-Barrows, Bendl, Bennett, Bruce, Cawood, Clarke, Cyrus, DeMarcus, Deskins, Hancock, Johnson, Kenton, LeMaster, Little, Mann, McKinney, Moberly, Noe, Schmidt, Stumbo, Thomas, Van Horn, Weinberg, Wilborn, Williams. Nays 57-Adams, Allen, Arnold, Blair, Blandford, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Davenport, DeFalaise, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Head, Heleringer, Holbrook, Isler, Jones, Kidd, Layman, Lewis, List, Lundergan, May, Maynard, McBee, McNutt, Morris, Nett, O'Brien, Overstreet, Pearman, Plummer, Rapier, Rattliff, Richards, B. Richardson, Sale, Smith, Stone, Thomason, Tobin, Turner, Worthington, Wright.

Floor Amendment No. 2 to **HB 418** was rejected.

Representative Williams moved the adoption of the Floor Amendment No. 3 to **HB 418.**

On the roll call the vote was yeas 19-Barrows, Bennett, Brown, Clarke, DeMarcus, Deskins, Johnson, Kenton, LeMaster, Little, Mann, McKinney, Moberly, Noe, Priddy, Stumbo, Van Horn, Wilborn, Williams. Nays 61-Adams, Allen, Arnold, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Hancock, Head, Heleringer, Holbrook, Isler, Jones, Layman, List, Lundergan, May, Maynard, McBee, McNutt, Morris, Nett, Overstreet, Pearman, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Thomason, Tobin, Turner, Weinberg, Worthington, Wright, Yates.

Floor Amendment No. 3 to **HB 418** was rejected.

Representative Williams moved the adoption of the Floor Amendment No. 4 to **HB 418.**

Representative Farrow requested a ruling of the Chair as to whether Floor Amendment No. 4 was germane to the Bill.

The Chair ruled Floor Amendment No. 4 was germane to the title of the Bill.

On the roll call the vote was yeas 22-Barrows, Blandford, Brown, Bruce, Cawood, Clarke, Crupper, Cyrus, DeFalaise, Deskins, Hancock, Jones, Kenton, List, Little, Mann, Moberly, Noe, Smith, Stumbo, Tobin, Van Horn, Weinberg, Wilborn, Williams. Nays 58-Adams, Allen, Arnold, Bennett, Blair, Blythe, Boswell, Bronger, Burch, Burnette, Caldwell, Clapp, Clarke, Craddock, Curd, Davenport, DeMarcus, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Head, Heleringer, Holbrook, Isler, Layman, LeMaster, Lewis, Lundergan, May, Maynard, McNutt, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Thomason, Turner, Worthington, Wright, Yates.

Floor Amendment No. 4 to **HB 418** was rejected.

Representative Richards moved that **HB 418,** as amended, be passed.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McNutt, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Thomason, Tobin, Turner, Van Horn, Weinberg, Worthington, Wright, Yates. Nays 7-Barrows, Clarke, Gray, Moberly, Noe, Wilborn, Williams.

HB 418, as amended, was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 418,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Recess

Representative B. Richardson moved that the House recess until 7:20 p.m.

On the roll call the vote was yeas 59-Adams, Allen, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Bronger, Bruce, Caldwell, Clark, Curd, Cyrus, DeFalaise, DeMarcus, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Isler, Johnson, Kenton, Kidd, Layman, Little, Lundergan, Mann, Maynard, McBee, Nett, Noe, Pearman, Petty, Plummer, Rapier, Richards, B. Richardson, P. Richardson, Riner, Sale, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, Worthington, Wright, Yates. Nays 5-Davenport, Dunn, Guenthner, LeMaster, Robinson.

The motion to recess was adopted.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative B. Richardson moved that the rules be suspended for the purpose of reporting and acting upon a Resolution. Agreed.

Representative B. Richardson moved the adoption of the following **HR 101:**

HR 101, A RESOLUTION directing appointment of a committee to wait upon the Governor.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Speaker appoint a committee of this House to join a like committee from the Senate to wait upon the Governor and inform him that the General Assembly is prepared to receive any message he may care to deliver.

HR 101 was adopted by voice vote.

The Speaker appointed a committee composed of Representatives Blythe, Bruce, LeMaster, Tobin, and Stone to join with a like committee of the Senate to wait upon the Honorable John Y. Brown, Jr., Governor of the Commonwealth of Kentucky, and invite him to address a Joint Session of the General Assembly to present his budget recommendations to the 1980 General Assembly.

The Committee appointed to wait upon the Governor reported that the Governor was ready to address the Joint Session.

The Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate, and the members of the Senate entered upon the floor of the House.

The Speaker recognized the Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate.

Joint Session

The Speaker vacated the Chair, whereupon the Honorable Martha Layne Collins, Lieutenant Governor and President of the Senate, assumed the Chair and called the Joint Session to order.

Representative B. Richardson moved to dispense with a call of the roll. Agreed.

The Committee of the House, appointed to join with a like Committee of the Senate to wait upon the Governor and escort him to the House to address the Joint Session, appeared with the Governor.

Lieutenant Governor Martha Layne Collins introduced the Honorable John Y. Brown, Jr., Governor of the Commonwealth of Kentucky.

Governor Brown addressed the Joint Session of the General Assembly, as follows:

"We meet here jointly tonight to set the course and the direction of Kentucky state government for the next two years. The decisions you make - or the decisions you fail to be strong enough to make will affect the future of every single person - both born and yet unborn - in our Commonwealth. It is up to us to inaugurate the programs, to introduce the discipline and to expand the opportunities that are required of State government in the 1980's through the adoption of this budget.

The preparation of the *Executive Budget* by law is the responsibility of the Chief Executive. Yet its review and passage rests upon you - the General Assembly. By seeking our respective elective offices, we have asked for the opportunity to provide the leadership for this state. We must accept this responsibility and have the courage to make the difficulty decisions in this financial year.

The budget I submit to you tonight is a budget for difficult times. It reverses the trend of government trying to be all things to all people. This budget marks the end of the era of large state surpluses. This is a budget that brings fiscal responsibility back to government. Even though this budget reflects many necessary cutbacks, it passes the test of fairness and the fundamental principal of what is just. It is a budget that builds for the future rather than steals from the future.

The process we are working under in making these decisions is almost insane. We elect a governor in November, inaugurate him in December, and in January, barely after he has lowered his hand from the swearing in, expect him to review and recommend programs that make up a $9 billion budget.

I lowered my hand on December 11 to find a treasury that was depleted. A state that for the last four years had spent more than they had taken in, a state that this very year was going to spend $56 million more than it's revenue receipts.

I found legislative programs enacted but not funded. I found tax revenue cuts without corresponding program cuts. I found a road fund being bailed out by the General Fund and a sluggish economy that generated the lowest revenue growth in 20 years.

My approach to these problems was simple. It was either reduce state spending or increase some across-the-board tax such as sales or income tax. As a businessman, it has always been my philosophy that government has gotten too big and we should cut government spending whenever and wherever possible.

The basic fiscal policy of my administration thus far has been to cut back and to redirect our efforts without escalating costs. Already, I feel we have made remarkable progress. In the governor's office itself, I have tried to set the example by reducing my own budget by over 20 percent. The same is true of my appointees. I have challenged them to scrutinize their agencies, re-examine their mission, clearly define their goals and reduce spending wherever possible.

The budget I present to you this evening is balanced. It reflects restraint with compassion, sensitivity with understanding, and reduction with reason.

The main thrust of this budget, as of my administration, is not a short term approach producing more headlines than solutions. It is a long term agenda to address our fiscal problems.

If we are to increase our revenues without increasing taxes, this must come from an expanded economic base—not people paying more taxes, but more people paying taxes—because through our economic and industrial development efforts we have created more jobs for them.

The expansion of the Development budget reflects my strong commitment by expanding our tourism programs to attract visitors from surrounding states who can no longer afford to travel long distances. Not only does Tourism create jobs, but every out-of-state tourist dollar is a new dollar to our economy.

My budget creates and expands our foreign and domestic offices to develop new markets for our farm and industrial products for if our industries, -both farm and factory - can expand their markets and sell their products, most all of our other problems are solved.

Funds are included to revitalize the Kentucky Development Financing Authority to provide financing that will stimulate economic growth at local level. These will be new development dollars that are much needed in a time of high interest if we are to continue our economic growth.

There are monies to renovate and expand a park system whose age requires attention if it is to maintain its past standards of excellence.

The nation is looking to Kentucky to provide the leadership for energy self-sufficiency. The budget of our Department of Energy reflects this and also recognizes that it will be the sale of coal in the immediate future that will be the the greatest stimulus to our Kentucky economy. My budget recommendation will allow us to break new ground in our efforts to develop synthetic fuels and take the lead in being America's number one energy state. While our thrust is developing energy, I have also included monies that will help us conserve energy.

While we are redeveloping our coal resources and expanding our economy, it is important to me that we give thought to future generations and that we take the necessary steps not to destroy the environment our children must live in. We must conserve our water, protect our land and air by properly funding the programs of our Department of Natural Resources and Environmental Protection.

Included in our Natural Resources budget are funds so our state may gain control through primacy in our mine reclamation programs, funds to monitor and effectively control the generation, transportation and disposal of hazardous and toxic waste, and funds to clean up our air through auto emission testing programs.

While our monetary problems dictate that this must be a budget of the head, I feel strongly it also must be a budget of the heart. This document reflects the awareness that there are those in our state who cannot help themselves in our on-rushing competitive society, and it is a legitimate role of our government to assist them.

My budget reflects concern, not just for the elderly, the poor, and the handicapped by program funding in those areas, but also to those who fill our mental hospitals, our nursing homes, and are afflicted with problems of alcoholism, drug addiction and depression. I have included also funding to provide programs for rehabilitation of sex offenders, development of spouse abuse centers and funds for treatment for rape victims. This budget also reflects awareness that inflation and cost-of-living has the same impact on the less fortunate as those in the main stream of society by including a cost of living increase for AFDC recipients, the first since 1974.

As it should be, Education is a prominent part of my budget. From vocational schools to our universities from our Minimum Foundation Program to our Gifted and Exceptional Children programs, from Kentucky Educational Television to our schools for the Deaf and Blind, from educator's salaries to increased benefits for our retired teachers, my budget reflects funding for all of these programs and a sincere commitment to improving the quality of education in Kentucky.

The average teacher's salary will show a corresponding increase from approximately $14,500 in 1979-80 to about $17,000 in 1981-82. Funds for the local district level are included to continue the work of the school building authority. To help the local districts fight the problem of inflation, there is a 10 percent increase in funds for current operating expenses and another 10 percent increase in transportation costs in the foundation program. There are expanded monies for the gifted and talented programs, which may be the first statewide program in the nation; new units and vocational and special education; and kindergarten programs. To help ease the burden of educating a young family, $22 million has been included for free textbooks for all students and another $18 million will be provided to the local school districts for instructional fees.

And by increasing their retirement benefits, this budget recognizes the many sacrifices that our retired teachers made for their students through the years but because of low salaries in those early years, now find themselves hit hardest by inflation.

While Secondary and Elementary Education has done well over the last few years, Higher Education has not participated in those giant gains. It is now time to focus on higher education and emphasize its needs to insure the highest standard of educational quality possible for our college level students. We have built into the budget a 7.5 percent increase the 1st year and a 9.0 percent increase the second year for faculty salaries along with a "catch-up" pool of money so our university faculty may reach a competitive level with benchmark universities. My budget also reflects recognition that our Community College system has the greatest need in our Higher Education System. We have provided a level of funding for faculty in this system greater than at our other universities, and at the same time have encouraged high school graduates to continue their education by not recommending a tuition increase at our community colleges.

As you review and study this budget document you will see monies provided for a Management Information System that will provide us, and future Governors and legislatures, more accurate and complete data from which we can make decisions; monies to initiate a fireman's pay incentive program and continue the police pay incentive program we now have, monies to upgrade our deteriorating correctional facilities and more monies going back to local units of government. Also included are funds for salary increase of 16 percent for state employees over the next biennium, including a $43 million salary improvement fund for meritorious raises.

While we have been able to balance our General Fund budget by evaluating and eliminating unnecessary expenses, the deficit in our Transportation budget presents a different type problem. General Fund programs are basically creatures of our own making and we can address them the same way, legislatively. But we have no control over problems such as sky-rocketing petroleum based asphalt products due to OPEC oil prices, declining gasoline consumption, and inflationary increases in road construction much greater than normal inflation.

This is not a new problem. But a problem that has been postponed over the last few years by the General Fund subsiding the Transportation fund. We can no longer afford this luxury. We must face up to the problem and find a long term solution for our deteriorating road fund. For after the education of our children, this governmental function touches more citizens of the Commonwealth then any other.

We must acknowledge the fact we are $147 million short in the Road Fund if we are to just maintain the current level of maintenance and construction.

I have heard comments to the effect that decisions here in these chambers will be based on whatever is necessary to get re-elected. I do not believe this, I believe you share with the higher purpose of doing what is right over doing what is expedient. In evaluating the revenue plan for the depleted road fund, I have considered its effects on the citizens of our State, our competitive position among other states, the effect on our economic structures, the ability to pass a portion of the burden on to non-residents of our state and the overall balancing effect on our budget. I ask you to review this proposal with the same courage and conviction as I have.

Representative B. Richardson moved that the Joint Session of the House and Senate be dissolved. Agreed.

The Speaker resumed the Chair.

Representative B. Richardson moved that the House stand at ease for fifteen minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative B. Richardson moved that the rules be suspended for Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (Cont.)

HB 918, by Representatives Guenthner: AN ACT changing the classification of the City of Devondale, in Jefferson County.

HB 919, by Representative Worthington, Heleringer, DeMarcus, Moberly, and Sale: AN ACT relating to shale mining.

HB 920, by Representative O'Brien: AN ACT relating to services for blind persons.

HB 921, by Representative Morris: AN ACT relating to law enforcement.

HB 922, by Representative List: AN ACT relating to requirements for accessibility and safety for handicapped persons in building and accommodations.

HB 923, by Representative Donnermeyer: AN ACT relating to employment of minors.

HB 924, by Representative Donnermeyer: AN ACT relating to the wages and hours of employes.

HB 925, by Representative Donnermeyer: AN ACT relating to textbooks.

HB 926, by Representative Donnermeyer: AN ACT relating to controlled substances.

HB 927, by Representative Donnermeyer: AN ACT relating to abortion.

HB 928, by Representative Hancock: AN ACT relating to property owners' associations.

HB 929, by Representative Burnette: AN ACT relating to service of process.

HB 930, by Representatives Hancock, Sale, May, Wilborn, Rapier, Little, Farrow, Crupper, P. Richardson, and Barrows: AN ACT relating to state personnel.

HB 931, by Representatives Kenton, B. Richardson, May, Donnermeyer, and Hancock: AN ACT relating to appropriations for the operation, maintenance, support and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

HB 932, by Representative Deskins: AN ACT relating to oil shale mining.

HB 933, by Representative Heleringer: AN ACT relating to limitation of actions.

HB 934, by Representative Heleringer: AN ACT relating to construction of common and statutory law.

HB 935, by Representative Williams: AN ACT relating to grand jury proceedings.

HB 936, by Representative Boswell: AN ACT relating to cosmetologists.

HB 937, by Representatives Wilborn and Cawood: AN ACT relating to the state law library.

HB 938, by Representatives Haering, Burch and Priddy: AN ACT relating to time in Kentucky.

HB 939, by Representative Worthington: AN ACT relating to jails and jailers.

HB 940, by Representative Boswell: AN ACT relating to district courts.

HB 941, by Representative Boswell: AN ACT relating to district court.

HB 942, by Representative Burch: AN ACT relating to public contracts.

HB 943, by Representatives Maynard and Petty: AN ACT relating to taxation.

HB 944, by Representative Cawood: AN ACT relating to health facilities and health services.

HB 945, by Representative Freibert: AN ACT proposing to amend Sections 53, 87, 88, 91, 93, 95, 96, 171, 190, 256, 257, 258 and 263 of the Constitution of Kentucky relating to the offices of treasurer and secretary of state.

HB 946, by Representative Ellington: AN ACT relating to teachers.

HB 947, by Representative Caldwell: AN ACT relating to gasoline tax.

HB 948, by Representative White: AN ACT relating to private detectives and private security agencies.

HB 949, by Representatives Bennett, Gray, Romines, Van Horn, and Cyrus: AN ACT relating to public employes collective bargaining and making an appropriation therefor.

HB 950, by Representatives Gray, Cyrus, Bennett, Romines, and Van Horn: AN ACT relating to workers' compensation.

HB 951, by Representative Stumbo: AN ACT relating to insurance.

HB 952, by Representative Morris: AN ACT relating to psychologists.

HB 953, by Representative Morris: AN ACT relating to jails and making an appropriation therefor.

HB 954, by Representative Arnold: AN ACT relating to pesticides.

HB 955, by Representatives Yates, Blythe, and Mann: AN ACT relating to advertising devices.

HB 956, by Representative Bendl: AN ACT relating to joint tourist and convention commissions and authorities in counties containing cities of the first class.

HB 957, by Representative O'Brien: AN ACT relating to the lease of real property by the state.

HB 958, by Representative Smith: AN ACT relating to an oil and gas profits tax.

HB 959, by Representatives Thomas and Holbrook: AN ACT relating to statutory liens.

HB 960, by Representative Petty: AN ACT relating to searches and evidence obtained therefrom.

HB 961, by Representative McBee: AN ACT relating to cable television.

HB 962, by Representative Worthington: AN ACT relating to gasohol production.

HB 963, by Representative Freibert: AN ACT relating to real property assessment appeals.

HB 964, by Representatives Crupper, Rapier, P. Richardson, and Deskins: AN ACT relating to plumbing.

HB 965, by Representative Williams: AN ACT relating to searches of the premises of newsgathering organizations.

HB 966, by Representative Williams: AN ACT relating to proceedings before the grand jury.

HB 967, by Representatives Blandford and Bronger: AN ACT relating to creameries.

HB 968, by Representatives Kenton, B. Richardson, May, Donnermeyer, and Hancock: AN ACT relating to revenue and taxation.

HB 969, by Representatives Kenton, B. Richardson, May, Donnermeyer, and Hancock: AN ACT relating to public roads and highways.

HB 970, by Representatives Kenton, B. Richardson, May and Donnermeyer: AN ACT relating to local government economic assistance and making an appropriation therefor.

HB 971, by Representatives Kenton, B. Richardson, Donnermeyer, May and Hancock: AN ACT relating to sales tax.

HB 972, by Representatives Rapier, O'Brien, Barrows, Bennett, Blythe, Guenthner, Haering, Hancock, Holloway, Smith, and Thomas: AN ACT relating to alcoholic beverages.

HB 973, by Representatives B. Richardson, Kenton, Hancock, Donnermeyer, and May: AN ACT relating to revenue and taxation.

HB 974, by Representative Bendl: AN ACT relating to guardians, conservators and mentally disabled persons.

HR 102, by Representative Burch: A RESOLUTION requesting the Interim Joint Committee on Business Organizations and Professions to study the thoroughbred racing industry in Kentucky.

HCR 103, by Representatives Haering, Burch, and Priddy: A CONCURRENT RESOLUTION petitioning the United States Congress to amend the Uniform Time Act of 1966.

HJR 104, by Representative Kenton: A JOINT RESOLUTION authorizing and directing the creation of a task force to study small business development in Kentucky.

HCR 105, by Representative Little: A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the shared responsibility of the Railroad Commission and Department of Transportation regarding rail safety and planning programs.

HCR 106, by Representative Little: A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the rural and municipal road program with emphasis on the method by which the Bureau of Highways will set priorities among such roads.

HCR 107, by Representative Little: A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the reorgranization of the Bureau of Vehicle Regulations.

HCR 108, by Representative Cawood: A CONCURRENT RESOLUTION directing the Program Review and Investigation Committee to review and evaluate the Water Resources Authority of Kentucky.

Speaker Pro Tempore Hancock presiding.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Elections and Constitutional Amendments: **SB 125**

Labor and Industry: **HB 746, HB 864.**

State Government: **HB 794, HR 68, HCR 83, HB 695, HB 822, HB 851, HB 885, HB 805, SB 134.**

Banking and Insurance: **SB 170.**

Education: **HB 723, HB 808.**

Energy: **HB 666, HB 745, HCR 78, SB 156.**

Health and Welfare: **SB 39, HB 791.**

Transportation: **HB 881.**

The Clerk announced the following Bills and Resolutions have been withdrawn from committee consideration:

Energy: **HB 390, HB 168.**

The Committee on State Government reported **HB 363, HB 456, HB 724,** and **SB 147** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 363, AN ACT relating to legislative program review and investigations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 6.905 is amended to read as follows:

(1) There is hereby created a legislative program review and investigations committee which shall be a permanent standing committee of the general assembly, consisting of eight (8) members of the senate, six (6) of whom shall be appointed by the president pro tempore and two (2) of whom shall be appointed by the minority leader of the senate, and eight (8) members of the house of representatives, six (6) of whom

shall be appointed by the speaker and two (2) of whom shall be appointed by the minority leader of the house of representatives. At least one (1) appointee by each appointive authority shall be a member of the senate or house standing committee on appropriations and revenue. The appointments shall be made *within seven (7) legislative days of* [at] the beginning of each regular *or organizational* session of the general assembly, and the members so appointed shall serve for a term of two (2) years coextensive with the biennium in which the appointment is made. Vacancies shall be filled in the same manner as the original appointments, and for the balance of the term of the vacated member.

(2) The committee shall select a chairman and other officers as it may deem necessary from among its membership. A majority of the membership shall constitute a quorum and all actions *authorizing an investigation, dropping an investigation, or adopting a final report on any subject under investigation* [of the committee] shall require the affirmative vote of a majority of the full committee membership. *All other actions of the committee may be undertaken by an affirmative vote of a majority of a quorum of the committee.*

(3) When an evaluation or investigation is instituted upon the request of a legislative committee, the chairman and a ranking minority member of that committee shall serve as non-voting ex-officio members of the legislative program review and investigations committee during the course of such evaluation or investigation. If the legislative committee that requested the evaluation or investigation is a standing committee of one (1) of the houses of the general assembly, the minority leader of that house shall appoint the ranking minority member. If the legislative committee that requested the evaluation or investigation is an interim joint committee of the legislative research commission, the ranking minority member shall be:

(a) A minority party member of the house of representatives appointed by the house minority leader, if the chairman of the interim joint committee is a member of the senate; or

(b) A minority party member of the senate appointed by the senate minority leader, if the chairman of the interim joint committee is a member of the house of representatives.

(4) Each regular and ex-officio member of the legislative program review and investigations committee shall receive the same travel allowances and compensation for attending interim meetings of the committee as are received by members of subcommittees of the legislative research commission under KRS 7.090(2).

Section 2. KRS 6.910 is amended to read as follows:

The legislative program review and investigations committee shall have the power and duty to:

(1) Make performance reviews of operations of state agencies to ascertain that sums appropriated have been, or are being, expended for the purposes for which such appropriations were made and to evaluate the effectiveness of programs in accomplishing legislative intent;

(2) Study on a continuing basis the operations, practices and duties of state agencies, as they relate to efficiency in the utilization of space, personnel, equipment and facilities;

(3) Make such special studies and reports of the operations and functions of state agencies as it deems appropriate and as may be requested by the general assembly;

(4) Make such reports on its findings and recommendations at such time and in such manner as the committee deems proper, submitting such reports to the agencies concerned, to the governor and to the general assembly. Such reports shall relate to the following matters:

(a) Whether any state agency is carrying out only those activities or programs authorized by the general assembly; or

(b) Whether the programs and activities of a state agency, or a particular program or activity is being operated efficiently, effectively and in accordance with legislative intent; or

(c) Whether there is a need for change in any authorized activity or program of a state agency; or

(d) Whether any reorganization of a state agency, or group of state agencies, is needed or justified to accomplish the results of programs or activities authorized by the general assembly; or

(e) Any combination of the purposes specified in this or any other section of KRS 6.905 to 6.935.

(5) Consider and act on requests for program reviews submitted by legislators, legislative committees, elected officials of state government, state cabinet secretaries, and department and agency heads. Requests shall be submitted in writing and shall state reasons to support the request. The decision of the committee to grant or deny such a request shall be final;

(6) Conduct investigations directed by joint resolution of the general assembly;

(7) When the general assembly is not in session, conduct investigations:

(a) Initiated by a majority vote of the program review and investigations committee [and approved by the legislative research commission]; or

(b) Requested by the legislative research commission or an interim joint committee thereof. In the event two (2) or more investigations are requested, the priority among them shall be determined by the legislative program review and investigations committee.

Section 3. KRS 6.920 is amended to read as follows:

(1) The legislative program review and investigations committee, while in the discharge of its official duties, shall have the following additional powers:

(a) To subpoena and examine witnesses; to require the appearance of any person and the production of any paper or document; to order the appearance of any person for the purpose of producing any paper or document; and to issue all process necessary to compel such appearance or production. When such process has been served, the committee may compel obedience thereto by the attachment of the person, papers or records subpoenaed[; and if any person shall wilfully refuse to appear before such committee or to produce any paper or record in obedience to any process issued by the committee and served on that person, he shall be guilty of contempt of the general assembly and shall be prosecuted and punished as provided by law];

(b) *If any person fails or refuses to testify or furnish documentary evidence concerning any matter with respect to which the committee desires information pertaining to the studies in which it is engaged, the Franklin Circuit Court, on application of the committee, may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the circuit court or a refusal to testify therein.*

(c) To administer oaths to witnesses appearing before the committee when, by a majority vote, the committee deems the administration of an oath necessary and advisable as provided by law; and

(d)[(c)] To determine that a witness has perjured himself by testifying falsely before the committee, and to institute appropriate penal proceedings as provided by law.

(2) Each witness who appears before the committee by its order, other than officer or employe of the state, shall be entitled to the fees and mileage provided for witnesses in civil cases in circuit courts, which shall be audited and paid upon the presentation of proper vouchers sworn to by such witnesses and approved by the chairman of the committee.

HB 456, AN ACT relating to capital construction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 56.491 is amended to read as follows:

(1) No state agency shall have power or authority to make plans and specifications, advertise for bids, let contracts or incur any financing commitments, either in the way of a charge against public funds or in the way of negotiations for issuance of revenue bonds, for any capital construction projects involving the improvement of lands or the construction, alteration, reconstruction, or major repair of any building or other structure, or sewage disposal or water supply system, requiring the expenditure of more than *seventy-five thousand dollars ($75,000)* [$25,000] without first securing the approval of the [executive] department *of* [for] finance [and administration].

(2) The state agency seeking such approval shall submit to the [executive] department *of* [for] finance [and administration] a general description of the proposed project, with such detailed information as the department may require. Review of construction plans for conformance with the uniform state building code shall be conducted by the department of housing, buildings and construction. The [executive] department *of* [for] finance [and administration] shall not approve any such project requiring its approval in any instance where it finds that the project is not needed, or that the proposed method of financing is not sound, or in cases where the project will exceed the amount of the funds available therefor, or the work contemplated will be insufficient to accomplish the purpose of the project, or that after providing for the ordinary recurring expenses of government and debt service and for payments under existing allotments for extraordinary expenses and capital outlay, cash will not be available in the state treasury to promptly pay for the work during the biennium, or except as provided in subsection (5) of this section that the work is to be done by employes of the agency.

(3) The finding of the [executive] department *of* [for] finance [and administration] shall be final except in cases where the issuance and sale of bonds is proposed, in which cases the department shall submit its findings to the commission for final approval, modification, or disapproval.

(4) Any capital construction project, the total cost of completion of which the [executive] department *of* [for] finance [and administration] determines will exceed *seventy-five thousand dollars ($75,000)* [$25,000], shall be contracted for on a competitive bid basis, and the execution of such contracts must be approved and authorized by the department. When a capital construction project has been approved as provided in this section, in whole or in part, the department shall prepare the plans and specifications, advertise for bids, award the contracts, supervise the construction and handle the financial negotiations on behalf of the requesting state agency, or with prior written approval, the department may authorize a state agency to do so with delegated authority of the department.

(5) A capital construction project, the total cost of completion of which the [executive] department *of* [for] finance [and administration] determines will not exceed *seventy-five thousand dollars ($75,000)* [$25,000], may be performed by the [regular] employes of the requesting agency *or by individuals hired specifically for the project who shall be exempt from the requirements of KRS Chapter 18*; provided, however, that the project must be approved and authorized by the department. Necessary materials and supplies

shall be procured in accordance with the standard purchasing procedures and policies of the department as defined in KRS Chapter 45.

(6) This section does not apply to capital outlays to the bureau of highways for roads and bridges.

(7) This section shall not apply to capital outlays by the department of corrections for repair, maintenance, improvement, or expansion of present correctional facilities on which projects inmates are used. Any capital construction project to be performed by the department of corrections shall be approved and authorized by the [executive] department *of* [for] finance [and administration].

HB 724, AN ACT relating to prevailing wages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.010 is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) "Commissioner" means commissioner of labor;

(b) "Department" means department of labor;

(c) "Wages" include any compensation due to an employe by reason of his employment, such compensation to include salaries, commissions, vested vacation pay, overtime pay, severance or dismissal pay, earned bonuses and any other similar advantages agreed upon by the employer and the employe or provided to employes as an established policy; such wages to be payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such allowances made in this chapter;

(d) "Employer" is any person, either individual, corporation, partnership, agency or firm who employs an employe and includes any person, either individual, corporation, partnership, agency or firm acting directly or indirectly in the interest of an employer in relation to an employe; and

(e) "Employe" is any person employed by or suffered or permitted to work for an employer.

(2) As used in KRS 337.275 to 337.325, 337.345 and 337.385 to 337.405 unless the context requires otherwise:

(a) "Employe" is any person employed by or suffered or permitted to work for an employer, but shall not include:

(i) Any individual employed in agriculture;

(ii) Any individual employed in a bona fide executive, administrative, supervisory or professional capacity, or in the capacity of outside salesman, or as an outside collector as such terms are defined by administrative regulations of the commissioner;

(iii) Any individual employed by the United States;

(iv) Any individual employed in domestic service in or about a private home. The provisions of this section shall include individuals employed in domestic service in or about the home of an employer where there is more than one domestic servant regularly employed;

(v) Any individual classified and given a certificate by the commissioner of labor showing a status of learner, apprentice, handicapped worker, sheltered workshop employe, and student under administrative procedures and administrative regulations as prescribed and promulgated by the commissioner of labor. This certificate shall authorize employment at such wages, less than the established fixed minimum fair wage rates, and for such period of time as shall be fixed by the commissioner and stated in the certificate issued to such person;

(vi) Employes of retail stores, service industries, hotels, motels, and restaurant operations whose average annual gross volume of sales made for business done is less than ninety-five thousand dollars ($95,000) for the five (5) preceding years exclusive of excise taxes at the retail level or if the employe is the parent, spouse, child, or other member of his employer's immediate family;

(vii) Any individual employed as a babysitter in employer's home, or live-in companion to a sick, convalescing or elderly person whose principal duties do not include housekeeping;

(viii) Any individual engaged in the delivery of newspapers to the consumer;

(ix) Any individual subject to the provisions of KRS Chapters 7, 16, 27A, 30A, and 18 provided that the commissioner of personnel shall have the authority to prescribe by administrative regulation those emergency employes, or others who shall receive overtime pay rates as necessary for the efficient operation of government and the protection of affected employes;

(b) "Agriculture" means farming in all its branches, including the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodity, the raising of livestock, bees, furbearing animals or poultry, and any practice, including any forestry or lumbering operations, performed on a farm in conjunction with such farming operations, including the preparation and delivery of produce to storage, or to market or to carriers for transportation to market;

(c) "Gratuity" means voluntary monetary contribution received by an employe from a guest, patron or customer for services rendered;

(d) "Tipped employe" means any employe engaged in an occupation in which he customarily and regularly receives more than $20.00 per month in tips;

(e) "U.S.C." means the United States Code.

(3) As used in KRS 337.505 to 337.550 unless the context requires otherwise:

(a) "Construction" includes construction, reconstruction, improvement, enlargement, alteration or repair of any public works by contract fairly estimated to cost more than *two hundred and fifty thousand dollars ($250,000) in 1980 and adjusted annually on July 1 thereafter according to the change in the composite construction cost index released by the U.S. department of commerce, bureau of the census* [five hundred dollars ($500)];

(b) "Contractor" and "subcontractor" include any superintendent, foreman, or other authorized agent of any contractor or subcontractor who is in charge of the construction of the public works or who is in charge of the employment or payment of the employes of such contractor or subcontractor who are employed in performing the work to be done or being done by the contractor or subcontractor under the particular contract with any public authority;

(c) 1. "Locality" *means the county where the physical work upon public works is performed, except if there is not available in the locality a sufficient number of competent, skilled laborers, workmen, and mechanics to efficiently and properly construct the public works, "locality" shall include any other locality nearest the one in which the work of construction is to be performed and from which such available skilled laborers, workmen, and mechanics may be obtained in sufficient number to perform the work* [shall be determined by the commissioner of labor. He may designate more than one county as a single locality but, if more than one county is designated, such multi-county locality shall not extend beyond the boundaries of the federal congressional district in which that county is located. In no event shall he designate less than an entire county as a locality].

2. "Locality" with respect to contracts advertised or awarded by the department of transportation of this state shall be determined by the secretary of transportation. He may designate any number of counties as constituting a single locality. He may also designate all counties of the Commonwealth as a single locality, but, in no event, shall he designate less than an entire county as a locality;

(d) "Public authority" means any officer, board, or commission of this state, or any political subdivision or department thereof in the state, or any institution supported in whole or in part by public funds, including publicly owned or controlled corporations, authorized by law to enter into any contract for the construction of public works and any nonprofit corporation funded to act as an agency and instrumentality of the government agency in connection with the construction of public building facilities[, including but not limited to the types of entities funded through revenue bonds]; and

(e) "Public works" includes all buildings, roads, streets, alleys, sewers, ditches, sewage disposal plants, waterworks and all other structures or work *except for the construction of any building to be used for educational purposes* constructed under contract with any public authority.

(4) In any case where the federal government or any of its agencies furnishes by loans or grants any part of the funds used in constructing public works, and if the federal government or its agencies prescribe predetermined prevailing minimum wages to be paid to mechanics, workmen, and laborers employed in the construction of such public works and where KRS 337.505 to 337.550 is also applicable, those wages in each classification which are higher shall prevail.

Section 2. KRS 337.505 is amended to read as follows:

For the purpose of KRS 337.505 to 337.550, the term "prevailing wage" for each classification of laborers, workmen, and mechanics engaged in the construction of public works within the commonwealth of Kentucky, means the sum of:

(1) The basic hourly rate paid or being paid subsequent to the labor commissioner's most recent wage determination to the majority of laborers, workmen, and mechanics employed in each classification of construction upon reasonably comparable construction in the locality where the work is to be performed; such rate shall be determined by the commissioner in accordance with paragraphs (a), (b), and (c) of subsection (3) of KRS 337.520; in the event that there is not a majority paid at the same rate, then the basic hourly rate of pay shall be the [basic hourly rate of pay paid to the greater number: Provided, such greater number constitutes 30 per cent of those employed; or in the event that less than 30 per cent of those employed receive the same rate, then the basic hourly rate of pay shall be the] average basic hourly rate which shall be determined by adding the basic hourly rates paid to all workers in the classification and dividing by the total number of such workers, and

(2) An additional amount per hour equal to the hourly rate of contribution irrevocably made or to be made by an employer on behalf of employes within each classification of construction to a trustee or to a third person pursuant to an enforceable commitment to carry out a financially responsible plan or program, which was communicated in writing to the employes affected, for the following fringe benefits: Medical or

hospital care, pensions on retirement, death compensation for injuries or illness resulting from occupational activity or insurance to provide any of the foregoing, unemployment benefits, life insurance, disability and sickness insurance, accident insurance, vacation and holiday pay, defraying costs of apprenticeship or other similar programs, or other bona fide fringe benefits, but only where the employer is not required by other federal, state or local law to provide any of such benefits: Provided, said additional amount may, at the discretion of the employer, be paid either in cash to the employe or by contributions for fringe benefits, or partly in cash and partly by such contributions, it being the intention of this subsection to recognize fringe benefits as a part of the prevailing wage rate where made in accordance with this subsection.

SB 147, AN ACT relating to the Legislative Research Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 7.100 is amended to read as follows:

It shall be the duty of the legislative research commission to:

(1) Maintain in the state Capitol or state Capitol Annex for the use and information of the general assembly, a legislative reference room and working library, collect, summarize and index information of a legislative and governmental nature relating to legislation and legislative policies and index all bills introduced in the general assembly. Permanent office space for the legislative research commission and for the director thereof and employes or subcommittees shall be provided on the third floor of the state Capitol. When the general assembly is not in session, the commission shall have jurisdiction over the use of the house and senate chambers and over the allocation of all rooms used by the general assembly while in session. The commission may provide for such other office space as it may deem necessary.

(2) Make or cause to be made such investigations into statute law, legislation, governmental agencies and institutions and matters of public policy as will aid the general assembly in performing its duties in the most efficient and economical manner. In making such studies and investigations between the regular sessions of the general assembly, the commission shall give priority to those subjects requested by the general assembly.

(3) Afford to any member of the general assembly or any committee of either house of the general assembly such information and assistance as may be practicable in the preparation of bills, memorials, resolutions, amendments, alterations and changes thereto and revisions and substitutes thereof, proposed to be introduced into the general assembly.

(4) The commission, at the close of each legislative session, shall assume custody of all furniture, equipment, records, materials and supplies, and printed copies of bills in the possession of the clerks of the senate and house. Immediately prior to the convening of the next session, the commission shall transfer all furniture, equipment, materials and supplies to the clerks of the respective houses. The commission may, when the general assembly is not in session, authorize the expenditure of funds appropriated to the general assembly for the purchase, repair or maintenance of furniture, equipment, materials and supplies and contract for services needed by the general assembly.

(5) The commission shall prepare and publish or contract for the preparation and publishing of a daily index and digest of the content of and legislative action on all measures introduced in the general assembly.

(6) After each election the commission shall conduct a pre-session orientation conference for members of the general assembly.

(7) The commission shall notify the members of the general assembly of the reports filed with the commission for distribution to the members of the general assembly and of the reports and publications of the commission which are available for the members of the general assembly. Each member of the general assembly shall indicate upon a form provided by the commission which reports shall be forwarded to the member.

Section 2. KRS 12.110 is amended to read as follows:

(1) The governor shall prepare and submit to the *legislative research commission* [general assembly] annual reports of the finances and operations of the state and such other reports as the general assembly may prescribe or as the governor may desire. The head of each statutory department shall make to the governor an annual report and may at any time be required by the governor to make any special report concerning the work under his charge, with his observations and recommendations thereon and pertinent statistics concerning the work of the department, each of which the governor shall transmit to the *legislative research commission* [general assembly] with such comments as he may desire to make. All such annual reports shall observe the fiscal year of the state as the reporting year, and shall be published to the extent ordered in writing by the governor. *Twenty-five copies of each report shall be filed with the legislative research commission for availability to the members of the general assembly upon request. Additional copies of any report*

shall be made available to the legislative research commission at no charge if the requests for said report exceed twenty-five.

(2) Agencies shall file all annual and biennial reports required by law to be made by agencies with the governor, and a copy thereof in the office of the secretary of state, which shall be preserved as a public record.

The Committee on Labor and Industry reported **HB 337** and **HB 532** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 337, AN ACT relating to labor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.285 is amended to read as follows:

No employer shall employ any of his employes for a work week longer than forty hours, unless such employe receives compensation for his employment in excess of forty hours in a work week at a rate of not less than one and one-half times the hourly wage rate at which he is employed. This provision does not apply to employes of retail stores engaged in work connected with selling, purchasing and distributing merchandise, wares, goods, articles or commodities or to employes of restaurant, hotel and motel operations or to employes as defined and exempted from the overtime provision of the fair labor standards act in *sections 213(b)(1),* [section] 213(b)(10) and section 213(b)(17) of title 29, U.S.C.

HB 532, AN ACT relating to workers' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 342.012 is amended to read as follows:

(1) For the purposes of this chapter an owner or owners of a business, including partners of a partnership owning a business, whether or not employing any other person to perform a service for hire, shall be included within the meaning of the term employe if such owner, owners, or partners elect to come under the provisions of this chapter and provide the insurance required thereunder. Nothing in this section shall be construed to limit the responsibilities of such owners or partners to provide coverage for their employe, if any, required under this chapter.

(2) When an owner, owners or partners have elected to be included as employes such shall be accomplished by the issuance of an appropriate endorsement to a *workers'* [workmen's] compensation insurance policy.

Section 2. KRS 342.019 is amended to read as follows:

A doctor of chiropractic, licensed to practice under the provisions of KRS Chapter 312, shall have his services to employes covered by the *workers'* [workmen's] compensation law paid for under the *workers'* [workmen's] compensation provisions of KRS Chapter 342. An employe claiming benefits under the provisions of KRS Chapter 342 shall have the right to choose the services of a licensed doctor of chiropractic.

Section 3. KRS 342.038 is amended to read as follows:

(1) Every employer subject to this chapter shall keep a record of all injuries fatal or otherwise, received by his employes in the course of their employment. Within one (1) week after the occurrence and knowledge, as provided in KRS 342.185 to 342.200, of an injury to an employe causing his absence from work for more than one (1) day, a report thereof shall be made in writing and mailed to the board on blanks procured from the board for the purpose.

(2) The report shall contain the name, nature, and location of the business of the employer and name, age, sex, wages, and occupation of the injured employe, and shall state the date and hour of the accident causing the injury, the nature and cause of the injury, and any other information required by the board.

(3) Every employer or insurer subject to this chapter shall file additional reports *covering specifically voluntary payments and settlements, and such other reports* as are required by the *workers'* [workmen's] compensation board *by regulation* for the determination of the promptness of voluntary payment and validity and fairness of agreements. In addition, the board may require additional information as may be necessary to comply with a federal statute or regulation or any state statute.

(4) Upon the termination of the disability of the injured employe, or if the disability extends beyond a period of sixty (60) days, then also at the expiration of such period the employer shall make a supplementary report to the board on blanks procured from the board for the purpose.

Section 4. KRS 342.075 is amended to read as follows:

(1) The following persons shall be presumed to be wholly dependent upon a deceased employe:

(a) A surviving spouse upon a decedent whom the surviving spouse had not voluntarily abandoned at the time of the accident, or who having been abandoned by the decedent has not engaged in such conduct since his abandonment as would at common law constitute grounds justifying the abandonment of such wife by her husband or such husband by his wife;

(b) A child or children under the age of sixteen (16) years, or over sixteen (16) years if incapacitated from wage earning, upon the parent with whom such child or children are living, or by whom actually supported, or from whom support is legally required by judgment of a court, at the time of the accident.

(2) In all other cases the relation of dependency in whole or in part shall be determined in accordance with the facts of each case existing at the time of the accident.

(3) No person shall be considered a dependent in any degree unless he is living in the household of the employe at the time of the accident, or unless such person bears to the employe the relation of father, mother, husband, or wife, father-in-law or mother-in-law, grandfather or grandmother, child or grandchild, or brother or sister of the whole or half blood *and is actually dependent.*

Section 5. KRS 342.120 is amended to read as follows:

(1) A claimant may in the original application for benefits, or either party may by motion while the case is pending, accompanied by proper allegations, and the board shall upon its own motion at any time before the rendition of the final award, cause the special fund to be made a party to the proceedings if either or both of the following appears:

(a) The employe is disabled, whether from a compensable injury, occupational disease, pre-existing disease, or otherwise, and has received a subsequent compensable injury by accident, or has developed an occupational disease;

(b) The employe is found to have a dormant non-disabling disease or condition which was aroused or brought into disabling reality by reason of a subsequent compensable injury by accident or an occupational disease.

(2) When the special fund has been made a party the board shall direct the procedures provided in KRS 342.121.

(3) If it is found that the employe is a person mentioned in paragraphs (a) or (b) of subsection (1) of this section and a subsequent compensable injury or occupational disease has resulted in additional permanent disability so that the degree of disability caused by the combined disabilities is greater than that which would have resulted from the subsequent injury or occupational disease alone, and the employe is entitled to receive compensation on the basis of the combined disabilities, the employer shall be liable only for the degree of disability which would have resulted from the latter injury or occupational disease had there been no pre-existing disability or dormant, but aroused disease or condition.

(4) The remaining compensation for which such resulting condition would entitle the employe, including any compensation for disability resulting from a dormant disease or condition aroused into disabling reality by the injury or occupational disease, but excluding all compensation which the provisions of this chapter would have afforded on account of prior disabling disease or injury had it been compensated thereunder, shall be paid out of the special fund provided for in KRS 342.122. Such remaining compensation shall be paid directly to the employe by the carrier or self-insured employer who is liable for compensation under subsection (3) of this section, and the carrier or self-insured employer shall be reimbursed for such payments from the special fund on a quarterly basis and under such regulations as the board may provide for such purpose.

(5) *In making the computation for the apportionment of benefits under subsections (3) and (4) of this section, the board shall first determine the amount of the employe's weekly income benefits; exclude from the award the percentage thereof attributable to the pre-existing active disability or the prior disabling injury, disease or condition; and apportion the balance between the employer and special fund as provided in subsections (3) and (4) of this section. Medical expenses and temporary total benefits will likewise be apportioned* [If it is found that the employe is a person mentioned in paragraphs (a) or (b) of subsection (1) of this section, and a subsequent compensable injury or occupational disease has resulted in additional permanent disability, so that the degree of disability caused by the combined disabilities is greater than that which would have resulted from the subsequent injury or occupational disease alone, and the employe is entitled to receive compensation on the basis of the combined disabilities, and when applying the formula for income benefits to the employer's and special fund's percentage of disability, and the income benefits exceed the limitation contained in KRS 342.740, then in that event the special fund's and employer's liability shall be reduced proportionately to the point where the shares of each, when combined, do not exceed the limitation established by KRS 342.740].

Section 6. KRS 342.121 is amended to read as follows:

(1) If on a claim for compensation for disability resulting from a subsequent injury by accident or occupational disease any medical question shall be in controversy, or a determination thereof necessary to

the proper apportionment of liability therefor, the board shall refer the case to a physician appointed by it for the purpose of investigating and reporting to the board on the medical questions involved. The physician shall make his report to the *Workers'* [Workmen's] Compensation Board in writing with respect to all medical questions at issue or necessary to the apportionment of disability between the subsequent injury and in the prior existing disability at the time of employment. The report shall show the date of prior disablement or latent, nondisabling disease, or condition, which, if in dispute, shall be deemed a medical question.

(2) The physician appointed as provided in subsection (1) of this section shall be allowed necessary traveling expenses and reasonable fees, to be fixed by the board to each physician for making such examination and report, plus a reasonable allowance for expenses incurred in making such examination. The board may also allow traveling expenses to the employe. Such fees and expenses so approved by the board shall be paid out of the Special Fund.

(3) The physician shall, as soon as practicable after he has completed his consideration of the case, but not later than fifteen days after the examination of the employe, report in writing his findings on every medical question in controversy. The physician shall also include in his report a statement indicating the physician or physicians, if any, who appeared before him, and what, if any medical reports and X-rays were considered by him.

(4) The board may consider the report of the physician along with the other evidence in the case in arriving at its decision or award, and any party in interest may take the deposition of the physician to be used as evidence in the case.

(5) The provisions of this section shall apply only to persons mentioned in KRS 342.120.

Section 7. KRS 342.125 is amended to read as follows:

(1) Upon its own motion or upon the application of any party interested and a showing of *a substantial* change of *medical or occupational* conditions, mistake or fraud or newly discovered evidence, the board may at any time review any award or order, ending, diminishing or increasing the compensation previously awarded, [within the maximum and minimum provided in this chapter,] or change or revoke its previous order[, sending immediately to the parties a copy of its subsequent order or award]. Review under this section shall be had upon notice to the parties interested and *in the same manner as provided for an initial proceeding hereunder but* shall not affect the previous order or award as to any sums already paid thereunder. However, the employer shall not suspend the payment of benefits during the pendency of any reopening procedures.

(2) Where an agreement has become an award by approval of the board, and a review of such an award is initiated, no statement contained in the agreement, whether as to jurisdiction, liability of the employer, nature and extent of disability, or as to any other matter, shall be considered by the board as an admission against the interests of any party. The parties may raise any issue upon review of this type of award which could have been considered upon an original application for benefits.

Section 8. KRS 342.140 is amended to read as follows:

[Except as otherwise provided in this chapter,] The average weekly wage of the injured employe at the time of the injury or last injurious exposure shall be [taken as the basis upon which to compute compensation and shall be] determined *as follows:* [according to this section and KRS 342.143.]

(1) If at the time of the injury which resulted in death or disability or the last date of injurious exposure preceding death or disability from an occupational disease:

(a) The wages were fixed by the week, the amount so fixed shall be the average weekly wage;

(b) The wages were fixed by the month, the average weekly wage shall be the monthly wage so fixed multiplied by twelve (12) and divided by fifty-two (52);

(c) The wages were fixed by the year, the average weekly wage shall be the yearly wage so fixed divided by fifty-two (52);

(d) The wages were fixed by the day, hour, or by the output of the employe, the average weekly wage shall be the wage most favorable to the employe computed by dividing by thirteen (13) the wages (not including overtime or premium pay) of said employe earned in the employ of the employer in the first, second, third, or fourth period of thirteen (13) consecutive calendar weeks in the fifty-two (52) weeks immediately preceding the injury.

(e) The employe had been in the employ of the employer less than thirteen (13) calendar weeks immediately preceding the injury, his average weekly wage shall be computed under paragraph (d), taking the wages (not including overtime or premium pay) for such purpose to be the amount he would have earned had he been so employed by the employer the full thirteen (13) calendar weeks immediately preceding the injury and had worked, when work was available to other employes in a similar occupation.

(f) The hourly wage has not been fixed or cannot be ascertained, the wage for the purpose of calculating compensation shall be taken to be the usual wage for similar services where such services are rendered by paid employes.

(2) In occupations which are exclusively seasonal and therefore cannot be carried on throughout the year, the average weekly wage shall be taken to be one-fiftieth (1/50) of the total wages which the employe has earned from all occupations during the twelve (12) calendar months immediately preceding the injury.

(3) In the case of volunteer firemen, police, and civil defense members or trainees, the income benefits shall be based on the average weekly wage in their regular employment.

(4) If the employe was a minor, apprentice or trainee when injured, and it is established that under normal conditions his wages should be expected to increase during the period of disability, that fact may be considered in computing his average weekly wage.

(5) When the employe is working under concurrent contracts with two (2) or more employers and the defendant employer has knowledge of such employment prior to the injury, his wages from all such employers shall be considered as if earned from the employer liable for compensation.

(6) The term "wages" as used in this section and KRS 342.143 means, in addition to money payments for services rendered, the reasonable value of board, rent, housing, lodging, and fuel or similar advantage received from the employer, and gratuities received in the course of employment from others than the employer to the extent such gratuities are reported for income tax purposes.

(7) The board shall, from time to time, based upon the best available information, determine by regulation industries which ordinarily do not have a full working day for five (5) days in every week. In such industries compensation shall be computed at the average weekly wage earned by the employe at the time of injury reckoning wages as earned while working full time. "At full time" as used herein means a full working day for five (5) working days in every week regardless of whether the injured employe actually worked all or part of the time.

Section 9. KRS 342.143 is amended to read as follows:

For the purposes of this chapter the average weekly wage of the state shall be determined by the director as follows: On or before September 1 of each year, the total wages reported by subject employers under the Kentucky unemployment insurance law for the preceding calendar year shall be divided by the average monthly number of insured workers (determined by dividing the total number of insured workers reported for the preceding year by twelve (12)). The average annual wage thus obtained shall be divided by fifty-two (52) and the average weekly wage thus determined rounded to the nearest cent. Such average weekly wage shall be certified to the director by the department for human resources in a manner prescribed by the *workers'* [workmen's] compensation board by regulation. The average weekly wage as so determined shall be applicable for the full period during which income or death benefits are payable, when the date of occurrence of injury or of disablement in the case of disease, or of death, falls within the calendar year commencing January 1 following the September 1 determination. Whenever a change in the average weekly wage of the state is of such amount that the minimum weekly income benefits for total disability or for death are increased or decreased by one dollar ($1) or more, or the maximum weekly income benefits for total disability or for death are increased or decreased by two dollars ($2) or more, computed in each case and rounded to the nearest dollar, an adjustment in those minimums or maximums which are affected in the requisite amount by the change in the average weekly wage of the state shall be made which will reflect this increase or decrease, but no change in such limitations shall otherwise be made.

Section 10. KRS 342.150 is amended to read as follows:

Whenever compensation has been paid for not less than six months, thereafter, on the application of *all parties* [either party] and upon notice to the other party, in any case where the board determines that it will be for the best interests of *all parties* [either party] and will not subject the employer or his insurer to an undue risk of overpayment, future payments of compensation or any part thereof may be commuted to a lump sum of an amount which will equal the total sum of the probable future payments so commuted, discounted at four percent true discount compounded annually on each payment. Upon payment of such lump sum all liability for the payments therein commuted shall cease.

Section 11. KRS 342.155 is amended to read as follows:

Whenever the board considers it expedient, any lump sum which is paid as provided in KRS 342.150 hereof shall be paid to any suitable person appointed by the *district court* [county judge/executive] of the county of the residence of the injured employe or of his dependents as trustee to administer or apply the same for the benefit of the person or persons entitled thereto. The receipt of such trustee for the amount so paid to him shall discharge the employer and his insurer. Except as otherwise herein specifically provided, the manner of qualification and the rights, duties and liabilities of such trustee shall be determined by the general laws of this state.

Section 12. KRS 342.185 is amended to read as follows:

No proceeding under this chapter for compensation for an injury or death shall be maintained unless a notice of the accident shall have been given to the employer as soon as practicable after the happening thereof and unless *an application for adjustment of claim* [a claim] for compensation with respect to such injury shall have been made *with the board* within two (2) years after the date of the accident, or in case of death, within two (2) years after such death, whether or not a claim has been made by the employe himself for compensation. Such notice and such claim may be given or made by any person claiming to be entitled to compensation or by someone in his behalf. If payments of compensation as such have been made voluntarily the *filing of an application for adjustment of claim with the board* [making of a claim] within such period shall not be required, but shall become requisite within one year following the suspension of such voluntary payments or within two years of the date of the accident, whichever is later.

Section 13. KRS 342.186 is amended to read as follows:

The board [An employer] shall notify any employe who has received an injury or illness of the statute of limitations applicable to the injury or illness, not later than thirty days prior to the expiration date.

Section 14. KRS 342.195 is amended to read as follows:

(1) The notice [and claim] shall be given to the employer, or if the employer is a partnership, then to any one of the partners. If the employer is a corporation, the notice or claim may be given to any agent of the corporation upon whom process may be served, or to any officer of the corporation or agent of the corporation in charge of the business at the place where the injury occurred. [Notice or claim may be given by delivery to any such person or as provided in KRS 342.135.]

(2) The application for determination of benefits shall be served upon the board and the employer in any manner service of process is permitted under KRS 342.135 or the Kentucky Rules of Civil Procedure.

Section 15. KRS 342.205 is amended to read as follows:

(1) After an injury and so long as compensation is claimed, the *worker* [workman], if requested by *a party* [his employer] or by the board, shall submit himself to examination, at *a* reasonable time and *place* [places], to a duly qualified physician or surgeon designated and paid by the *requesting party* [employer]. The employe shall have the right to have a duly qualified physician or surgeon designated and paid by himself present at such examination, but this right shall not deny the *requesting party's* [employer's] physician or surgeon the right to *examine* [visit] the injured employe at all reasonable times and under all reasonable conditions.

(2) Any employe receiving benefits under this Act may be required upon request of any party, to furnish a sworn affirmed statement of earnings and such other supporting information as the board may require.

(3) The board shall supply forms for such report.

(4) If an employe refuses to submit himself to or in any way obstructs such examination his right to take or prosecute any proceedings under this chapter shall be suspended until such refusal or obstruction ceases. No compensation shall be payable for the period during which the refusal or obstruction continues.

Section 16. KRS 342.215 is amended to read as follows:

The *workers'* [workmen's] compensation board shall consist of five members appointed by the Governor *subject to approval of the interim joint committee on judiciary courts or its successor,* and shall be attached to the Department of Labor for administrative services.

(1) Of the members first appointed under this chapter one shall serve until January 1, 1974; one until January 1, 1975; one until January 1, 1976; and two until January 1, 1977. Thereafter, each term shall run for four years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy prior to the expiration of such a term shall be appointed for the remainder of the term. Each member of the board shall hold office until his successor is appointed and qualifies. The members of the board shall have the qualifications required of Circuit Judges. The Governor shall designate a member of the board to serve as chairman. Any vacancy in the chairmanship shall be filled by the Governor. The Governor may at any time remove any member for cause after furnishing him with a written copy of the charges against him and giving him a public hearing if he requests it. Each member of the board shall be paid a salary in accord with the provisions of KRS 64.640.

(2) A decision concurred in by any three members shall constitute a decision of the board, unless there are two unfilled vacancies in which case a majority of the remaining members shall constitute a decision of the board.

(3) The terms of all members of the *workers'* [workmen's] compensation board who are in office prior to the effective date of this chapter shall automatically expire on January 1, 1973, any other statute to the contrary notwithstanding.

Section 17. KRS 342.230 is amended to read as follows:

(1) Upon the recommendation of the director, the board, within the limits of appropriations therefor, shall establish and fill any positions, including medical services and advice, necessary to carry on the board's work.

(2) The governor shall appoint a director of the board who shall have immediate supervision of the employes of the board, perform such duties as are assigned him, and have complete authority to carry out all the administrative functions of the division of *workers'* [workmen's] compensation . The director shall be an attorney who has been admitted to practice law in Kentucky and shall have practiced law for at least three (3) years. He shall keep and be the custodian of the records of the board, shall annually report the activities of the board to the governor, and shall devote his full time to the duties of his office. He shall receive a salary to be fixed by the governor.

(3) The governor shall appoint, *subject to the approval of the interim joint committee on judiciary courts or its successor,* not more than the number of hearing officers authorized by regulation of the board,

each of whom shall be an attorney admitted to practice law in Kentucky and shall have practiced law for at least three (3) years. These officers, upon the direction of the director or the board, shall conduct *all* hearings, and otherwise supervise the presentation of evidence and perform any other duties assigned to them by the director or the board *and* [except that such hearing officers] shall [not] render final decisions, orders, or awards *which shall be supported by appropriate findings of fact and conclusions of law.* [However such hearing officers may, in receiving evidence on behalf of the board, make such rulings affecting the competency, relevancy, and materiality of the evidence about to be presented and upon motions presented during the taking of evidence as will expedite the preparation of the case.]

(4) The board may at any time recommend the removal of the director or any hearing officer upon filing with the governor a full written statement of its reasons for such removal.

Section 18. KRS 342.255 is amended to read as follows:

Any investigation, inquiry or hearing which the board is authorized to hold or undertake *shall* [may] be held or undertaken by or before [any one member of the board, the director or] a hearing officer acting under authorization of the board. Any investigation, inquiry, hearing or decision of the board and any order made by a member thereof, when approved by a majority of the members and so shown on a record of its proceedings, shall be considered an order of the board.

Section 19. KRS 342.260 is amended to read as follows:

(1) The board shall prepare such rules and regulations as it considers necessary to carry on its work and may make rules not inconsistent with this chapter for carrying out the provisions of this chapter.

(2) Processes and procedure under this chapter shall be as summary and simple as reasonably possible. The board or any *hearing officer* [member thereof] for the purpose of this chapter, may subpoena witnesses, administer or cause to have administered oaths and examine or cause to have examined such parts of the books and records of the parties to a proceeding as relate to question in dispute.

(3) The sheriff shall serve all subpoenas of the *hearing officers and the* board and shall receive the same fee as provided by law for like service in civil actions. Each witness who appears in obedience to such subpoena [of the board] shall receive for attendance the fees and mileage for witnesses in civil cases in the circuit courts.

(4) The circuit court shall, on application of the board or any *hearing officer* [member thereof,] enforce by proper proceedings the attendance and testimony of witnesses and the production and examination of books, papers and records.

Section 20. KRS 342.270 is amended to read as follows:

(1) If the parties fail to reach an agreement in regard to compensation under this chapter, either party may make written application to the board for a hearing in regard to the matter at issue and for a ruling thereon. [Such application must be filed within two years after the accident, or, in case of death, within two years after such death, or within two years after the cessation of voluntary payments, if any have been made.]

(2) Except with respect to uncontested claims for disability or death by reason of occupational diseases, as soon as possible after the application has been received the board shall *assign the case to a hearing officer* [set the date] for a hearing, to be held as soon as practicable in view of the matter involved, and *the hearing officer* shall notify the parties at issue of the time and place of such hearing.

(3) Unless otherwise agreed to by the parties and authorized by the board, the hearing shall be held at or convenient to the place where the injury was sustained or the ground for disagreement occurred. Before directing a hearing, the [board, a member thereof, the director or a] hearing officer [authorized by the board,] may confer informally with the parties at issue in an attempt to assist in adjusting their differences, but may not delay the granting of a hearing, over the objection of either party, for such purpose.

(4) If the parties have previously filed an agreement which has been approved by the board and compensation has been paid or is due in accordance therewith and the parties thereafter disagree either party may invoke the provisions of KRS 342.125 which remedy shall be exclusive.

(5) An application for adjustment of claim shall be held in abeyance by the board during any period voluntary payments of compensation are being made under any benefit sections of this chapter to the maximum which the employe's wages shall entitle him, unless it shall be shown that the prosecution of the employe's claim would be prejudiced by delay.

Section 21. KRS 342.275 is amended to read as follows:

Except with respect to uncontested claims for disability or death by reason of occupation diseases, the [board, or any of its members, the director or any] hearing officer *to whom the case is assigned* [directed by the board] shall hear the parties at issue and their representatives and witnesses *at a hearing held for such purpose* and [the full board] shall determine the dispute in a summary manner. The award, order or decision *of the hearing officer* shall be made within thirty (30) days after *the hearing* [final submission], except in cases involving large or complicated records or unusual questions of law, and shall be made within sixty (60) days after *the hearing* [final submission] in any event. However, if the award, order or decision is not rendered within thirty (30) days the *hearing officer* [board] shall notify the parties in dispute *and the board* setting out the reasons for such delay. The award, order or decision, together with a statement of the findings of fact, rulings of law and any other matters pertinent to the question at issue shall be filed with the record of proceedings *with the board*, and a copy of the award, order or decision shall immediately be sent to the parties in dispute.

Section 22. KRS 342.281 is amended to read as follows:

Within fourteen (14) days from the date of the award, order or decision any party may file a petition for reconsideration of the award, order, or decision of the full board. The petition for reconsideration shall clearly set out the errors relied upon with the reasons and argument for reconsideration of the pending award, order, or decision. All other parties shall have ten (10) days thereafter to file a response to the petition. *No new or additional evidence may be introduced before the board except as to the fraud or misconduct of some person affecting the order, ruling or award and the board shall otherwise consider the cause upon the record and dispose of the petition for consideration in a summary manner. The board shall not substitute its judgment for that of the hearing officer as to the weight of the evidence on questions of fact, its review being limited to determining whether or not:*

(a) The hearing officer acted without or in excess of his powers;

(b) The order, decision or award was procured by fraud;

(c) The order, decision or award is not in conformity to the provisions of this chapter;

(d) The order, decision or award is clearly erroneous on the basis of the reliable, probative and material evidence contained in the whole record; or

(e) The order, decision or award is arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion. Within thirty (30) days after submission the board shall enter judgment affirming, modifying or setting aside the order, decision or award, or in its discretion remanding the cause to the hearing officer for further proceedings in conformity with the direction of the board. The board may, before judgment and upon a sufficient showing of fact, remand the cause to the hearing officer [The board shall be limited in such review to the correction of errors patently appearing upon the face of the award, order, or decision and shall overrule the petition for reconsideration or make such correction within ten (10) days after submission].

Section 23. KRS 342.285 is amended to read as follows:

(1) An award or order of the *hearing officer* [board] as provided in KRS 342.275 *shall be final*, if *a* petition for reconsideration is not filed as provided for in KRS 342.281. *Where a petition for reconsideration has been heard, the final judgment of the board* [,] shall be conclusive and binding as to all questions of fact, but either party may [within twenty days after the rendition of such final award or order of the board, by petition] appeal *the final judgment of the board* to the circuit court that would have jurisdiction to try an action for damages for the injuries if this chapter did not exist, *in the same time and manner as provided for appeals from district courts under rules 72, 73, 74 and 75 of the rules of civil procedure except that the record on appeal shall be prepared and certified by the director to the circuit court within thirty (30) days after the date of the filing of the notice of appeal* [for the review of such order or award, the board and the adverse party being made respondents. The board shall be named respondent as the workmen's compensation board, and service shall be had on the director].

(2) [The petition shall state fully the grounds upon which a review is sought, and assign all errors relied on. Summons shall issue upon the petition directing the adverse party to file answer and cross-appeal, if appropriate, within twenty days after service thereof and directing the board to send its entire original record, properly bound, to the clerk of the circuit court, after certifying that such record is its entire original record, which shall be filed by the clerk of the circuit court and such record shall then become and be considered by the circuit court on the review.

(3) No new or additional evidence may be introduced in the circuit court except as to the fraud or misconduct of some person engaged in the administration of this chapter and affecting the order, ruling or award, but the court shall otherwise hear the cause upon the record as certified by the board and shall dispose of the cause in summary manner. The court shall not substitute its judgment for that of the board as to the weight of evidence on questions of fact, its review being limited to determining whether or not:

(a) The board acted without or in excess of its powers;

(b) The order, decision, or award was procured by fraud;

(c) The order, decision, or award is not in conformity to the provisions of this chapter;

(d) The order, decision, or award is clearly erroneous on the basis of the reliable, probative, and material evidence contained in the whole record; or

(e) The order, decision, or award is arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

(4) The board and each party may appear in such review proceedings; the court shall enter judgment affirming, modifying or setting aside the order, decision or award, or in its discretion remanding the cause to the board for further proceedings in conformity with the direction of the court. The court may, before judgment and upon a sufficient showing of fact, remand the cause to the board.

(5)] The appeal shall be advanced on the circuit court docket without motion or notice.

Section 24. KRS 342.316 is amended to read as follows:

(1) (a) The employer liable for compensation for occupational disease shall be the employer in whose employment the employe was last exposed to the hazard of the occupational disease during any period in which this section is applicable to a coal mine. [,] An operator who acquired it or substantially all of its assets from a person who was its operator on and after January 1, 1973 shall be liable for, and secure the payment of, the benefits which would have been payable by the prior operator under this section with respect to miners previously employed in the mine if it had not been acquired by such later operator. At the same time, however, this subsection does not relieve the prior operator of any liability under this section. Also, it does not affect whatever rights the later operator might have against the prior operator. Said employer shall have the right to contribution from each previous employer, as determined in an independent civil action, wherein the employe was similarly exposed to the hazard of said occupational disease, in a sum equal to the ratio that each exposure employment time bears to the total exposure employment time except as otherwise provided in paragraph (a) of subsection (13) of this section.

(b) The time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later.

(2) (a) The procedure with respect to the giving of notice and determination of claims in occupational disease cases and the compensation and medical benefits payable for disability or death due to such disease shall be the same as in cases of accidental injury or death under the general provisions of this chapter except that notice of claim shall be given to the employer as soon as practicable after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted such disease, or a diagnosis of such disease is first communicated to him, whichever shall first occur.

(b) The procedure with respect to filing of claims shall be as follows:

1. The application shall set forth the work history of the applicant with a concise description of injurious exposure to a specific occupational disease together with the names and addresses of employer or employers with the approximate date of employment and shall also include with the application two written medical reports supporting his claim. These medical reports shall be made on the basis of comprehensive clinical examinations and shall contain full and complete statements of the results thereof. The reports shall be made by duly licensed physicians. The clinical examinations shall include x-ray examinations. However, the failure of an x-ray examination to disclose the presence of an occupational disease shall not affect the legal presumption referred to in subsection (5) of this section.

2. The filing of a properly executed application for adjustment of claim, accompanied by the two medical reports described in subparagraph 1. of this paragraph, shall satisfy the requirements of the presumptive clause set out in subsection (5) of this section and the burden of proof shall immediately thereafter shift to the employer and the special fund.

3. Immediately upon receipt of said application for adjustment of claim, the board shall notify the affected employer, the special fund and any other interested party of such claim and shall furnish them with a full and complete copy of the claim.

4. Upon receipt of notice of claim the employer, the special fund, and any other interested party shall have the right to have the claimant examined by competent medical experts, at their expense, including a reasonable sum for travel. After said examination, the claimant or his representative, shall be furnished a copy of said medical report within a reasonable time.

5. Within sixty (60) days of the filing of the claim the employer, the special fund, and any other interested party shall notify the board and the claimant whether or not the claim will be resisted. If the claim is not resisted, then the board shall within ten (10) days enter an order and award for the claimant. If the claim is resisted, the board shall set a date for a hearing and shall notify all parties thereof. In litigated claims the regular procedures prescribed by the *workers'* [workmen's] compensation board shall be followed.

(3) The right to compensation under this chapter for disability resulting from an occupational disease shall be forever barred unless a claim is filed with the *workers'* [workmen's] compensation board within three (3) years after the last injurious exposure to the occupational hazard or after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted the disease, whichever shall last occur; and if death results from the occupational disease within said period, unless a claim therefor be filed with the *workers'* [workmen's] compensation board within three (3) years after such death; provided, however, that notice of such claim shall be deemed waived in case of disability or death where the employer, or his insurance carrier, voluntarily makes payment therefor, or, if the incurrence of the disease or the death of the employe, and its cause was known to the employer. Provided, however, that the right to compensation for any occupational disease shall be forever barred unless a claim is filed with the *workers'* [workmen's] compensation board within five (5) years from the last injurious exposure to the occupational hazard, except that, in cases of radiation disease, a claim must be filed within 20 years from the last injurious exposure to the occupational hazard.

(4) The amount of compensation payable for disability due to occupational disease or for death from such disease, and the time and manner of its payment, shall be the same as provided for accidental injury

or death under the general provisions of the *workers'* [workmen's] compensation act, but in no event to exceed such amounts as were in effect at the time of the last injurious exposure, and provided further, that the time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later, and provided further, that in case of death where the employe has been awarded compensation or made timely claim within the period provided for in this section, an employe has suffered continuous disability to the date of his death occurring at any time within 20 years from the date of disability, his dependents, if any, shall be awarded compensation for his death as provided for under the general provisions of the *workers'* [workmen's] compensation act and in this section.

(5) Where the occupational disease is a compensable pneumoconiosis and there has been employment exposure for 10 years or more to an industrial hazard sufficient to cause the disability of pneumoconiosis there shall be a rebuttable presumption that the disability or death was due to the compensable pneumoconiosis.

(6) Where the employe is suffering or suffered from a chronic *occupational* dust disease of the lung which (a) when diagnosed by chest roentgenogram, yields one or more large opacities (greater than one (1) centimeter in diameter) and would be classified in category A, B, or C in the international classification of radiographs of the pneumoconioses by the international labor organization, *or* (b) when diagnosed by biopsy or autopsy, yields massive lesions in the lung, [or (c) when diagnosis is made by other means, would be a condition which could reasonably be expected to yield results described in paragraph (a) or (b) if diagnosis had been made in the manner prescribed in paragraph (a) or (b);] then there shall be *a rebuttable* [an irrebuttable] presumption that *the employe* [he] is [totally] disabled due to pneumoconiosis or that his death was due to pneumoconiosis, as the case may be.

(7) In case of disability or death from silicosis, coal workers' pneumoconiosis, or any other compensable pneumoconiosis, complicated with tuberculosis of the lungs, pulmonary emphysema or other pulmonary dysfunction and there has been employment exposures to harmful dust or industrial hazards reasonably competent to produce such accompanying disease or dysfunction, there is a rebuttable legal presumption that all resultant disability therefrom is work related and compensable, and compensation shall be payable as for the uncomplicated disease, provided, however, that the disease or dysfunction was an essential factor in causing such disability or death.

(8) If an autopsy has been performed, no testimony relative thereto shall be competent unless the employer or his representative has available findings and reports of the pathologist or doctor who performed the autopsy examination.

(9) No compensation shall be payable for occupational disease if the employe at the time of entering the employment of the employer by whom compensation would otherwise be payable, falsely represented himself, in writing, as not having been previously disabled, laid off, or compensated in damages or otherwise, because of such disease, or failed or omitted truthfully to state to the best of his knowledge, in answer to written inquiry made by the employer, the place, duration and nature of previous employment, or, to the best of his knowledge, the previous state of his health.

(10) No compensation for death from occupational disease shall be payable to any person whose relationship to the deceased, which, under the provisions of this chapter would give right to compensation, arose, subsequent to the beginning of the first compensable disability, save only to after-born children of a marriage existing at the beginning of such disability.

(11) Whenever any claimant misconceives his remedy and files an application for adjustment of claim under the general provisions of this chapter and it is subsequently discovered, at any time before the final disposition of such cause, that the claim for injury, disability or death which was the basis for such application should properly have been made under the provisions of this section, then the application so filed may be amended in form or substance, or both, to assert a claim for such injury, disability or death under the provisions of this section, and it shall be deemed to have been so filed as amended on the date of the original filing thereof, and such compensation may be awarded as is warranted by the whole evidence pursuant to the provisions of this chapter. When such amendment is submitted, further or additional evidence may be heard by the *hearing officer* [board] when deemed necessary. Nothing this section contains shall be construed to be or permit a waiver of any of the provisions of this chapter with reference to notice of time for filing of a claim, but notice of filing a claim, if given or done, shall be deemed to be a notice of filing of a claim under provisions of this chapter, if given or done within the time required herein.

(12) When an employe has an occupational disease that is covered by this chapter, the employer in whose employment he was last injuriously exposed to the hazard of the disease, and the employer's insurance carrier, if any, at the time of the exposure, shall alone be liable therefor, without right to contribution from any prior employer or insurance carrier; except as otherwise provided herein.

(13) (a) The employer liable for compensation for occupational diseases, other than silicosis or any other compensable pneumoconiosis, which developed to the point of disablement only after an exposure of five (5) or more years, or for non-coal worker's silicosis and any other compensable pneumoconiosis, shall

be the employer in whose employment the employe was last exposed to the hazard of such occupational disease. In those cases where disability or death are not conclusively proven to be the result of such last exposure all compensation shall be paid out of the special fund for all claims filed prior to January 1, 1973; and 75 percent shall be paid by the special fund and 25 percent by the employer for all claims filed thereafter. In all other cases of occupational diseases, other than silicosis or any other compensable pneumoconiosis, which developed to the point of disablement only after an exposure of five (5) or more years, or for non-worker's silicosis and any other compensable pneumoconiosis, the compensation for disability or death due to such diseases shall be paid jointly by the employer and the special fund, and the employer shall be liable for sixty percent (60%) of the compensation due and the special fund shall be liable for forty percent (40%) of the compensation due. Provided, however, that when there is a joint award against the carrier or self-insured employer and the special fund under this section, all of the compensation awarded shall be paid from the special fund and the special fund shall be reimbursed by the carrier or self-insured employer on a quarterly basis and under such regulations as the board may provide for such purpose.

(b) In all claims for compensation partially payable by the special fund the commissioner of labor, as custodian of said fund, shall be designated as codefendant.

(c) In all agreements for the payment of compensation and awards the amount payable by the employer and the amount payable out of the special fund shall be separately stated. An award against the employer shall be for only the percentage of the total compensation which the employer is obligated to pay. A separate award shall be made against the special fund for the balance of the compensation payable. Nothing in this section shall prohibit the commissioner of labor, as custodian of the special fund, from entering into agreements to pay the compensation for which it is liable; provided, however, that where compensation is payable by both the employer and the special fund, the commissioner shall not enter into an agreement unless the employer is a party to the agreement.

Section 25. KRS 342.317 is amended to read as follows:

(1) There is hereby created in the state treasury a coal miners' pneumoconiosis fund, hereinafter referred to as the "fund" to be administered by the executive department for finance and administration and the department of labor as hereinafter provided. The fund may receive state appropriations, gifts, grants and federal funds.

(2) Money in the fund shall be used only for the payment of *workers'* [workmen's] compensation awards made by the board and authorized by this section.

(3) Upon certification of the need therefor by the commissioner of the department of labor, the secretary of the executive department for finance and administration shall cause to be allotted from available appropriations or other moneys received for such purpose to the fund sufficient moneys to pay any valid claims against the fund. The commissioner of the department of labor shall, within forty-five (45) days following the close of each fiscal year and at such other times as requested by the secretary of the executive department for finance and administration, provide to the secretary of the executive department for finance and administration a description of all claims affecting the fund, the awards against the fund and such other information as may be requested to administer the fund.

(4) Disbursements from the fund shall be made by the state treasurer upon the warrant of the secretary of the executive department for finance and administration when liability therefor shall have been established as follows:

(a) If the claimant has been exposed to the hazard of such occupational disease in the employment of only one employer, the award of compensation for disability or death due to such disease shall be paid in the following proportions from the following sources: (1) Fifty percent (50%) by the employer; (2) twenty-five percent (25%) by the special fund; and (3) twenty-five percent (25%) by the coal miners' pneumoconiosis fund created by this section.

(b) If the claimant has been exposed to the hazard of such occupational disease in the employment of more than one employer, the award of compensation for disability or death due to such disease shall be paid in the following proportions from the following sources: (1) Twenty percent (20%) by the employers; (2) forty percent (40%) by the special fund; and (3) forty percent (40%) by the coal miners' pneumoconiosis fund created by this section.

(5) In all agreements and awards for the payment of compensation under this chapter, the proportions thereof payable by each employer, from the special fund and the coal miners' pneumoconiosis fund shall be separately identified and designated; provided, however, that nothing in this section shall prevent the special fund from entering agreements to pay the compensation benefits for which it and the coal miners' pneumoconiosis fund are liable.

(6) An employer must be a party to any agreement providing for the payment of compensation for benefits under this section.

(7) The special fund and the coal miners' pneumoconiosis fund shall be named as co-defendants in any claim or action for benefits payable as provided by this section.

(8) Any award against an employer shall be only in the amount for which such employer or its surety is liable and any award against such employer or its surety, the special fund and the coal miners'

pneumoconiosis fund shall be paid from the special fund and the special fund shall be reimbursed proportionately by the employer or its surety and the coal miners' pneumoconiosis fund for the amounts awarded against each on a quarterly basis pursuant to regulations adopted by the board relating thereto.

Section 26. KRS 342.320 is amended to read as follows:

(1) All fees of *all* attorneys and physicians, and all charges of hospitals under this chapter, shall be subject to the approval of the *hearing officer* [board]. No attorney fees shall be allowed or approved against any party not represented by said attorney, nor shall any *claimant's* attorney fee be allowed or approved exceeding an amount equal to 20 per cent of the first $25,000.00, 15 percent of the next $10,000.00 and 5 percent of the remainder of the amount recovered as actuarily determined on past and future benefits according to the American Experience Table of Mortality and the Remarriage Tables of the Dutch Royal Insurance Institute. In no case shall the *claimant's attorney's* fee exceed $6,500.00. Provided, however, the *hearing officer* [board], in making an allowance of attorney fees, shall in each case examine the record to ascertain the extent of the services rendered, and fix a reasonable fee for the services rendered, not to exceed the maximum authorized by this section. The *hearing officer* [board] may reduce the attorney's fee to an amount commensurate with the services performed, or may deny or reduce an attorney's fee upon proof of solicitation of employment. Any award made to a claimant in a nonresisted claim as established under the provisions of KRS 342.316 (2)(b), paragraph 5, shall result in an award of an attorney fee not exceeding $750.00.

(2) No *claimant's* attorney's fee in any case involving benefits under this chapter shall be paid until the fee is approved by the *hearing officer* [board], and any contract for the payment of attorney's fees otherwise than as provided in this section shall be void. The entire *claimant's* attorney's fee in a lump sum shall be paid directly to the attorney of record, and the *hearing officer* [board] in allowing or approving an attorney's fee, as provided in this section, shall order the payment of same directly to the attorney, commuting sufficient of the final payments of compensation payable under the award to a lump sum for that purpose.

(3) The general assembly declares that by the enactment of subsections (2)(b) and (7) of KRS 342.316, it is the legislative intent to encourage settlement and prompt administrative handling of such claims and thereby reduce expenses to claimants for compensation under the provisions of KRS 342.316, and the *hearing officer* [board] shall give due regard to such legislative intent in the handling of uncontested claims and the allowance of attorney's fees therein.

(4) The *hearing officer* [board] shall *consider the reasonableness of the amount of the fee, based upon the amount of work involved and may* approve any contract between attorney and client if *it is believed the fee is reasonable, based upon the amount of work involved and* the limits on fees enumerated below are followed:

(a) When the claim is uncontested under the provisions of KRS 342.316 (2)(b), paragraph 5, the attorney fee shall not exceed an amount equal to $750.00.

(b) In all other claims, the fee of the attorney shall not exceed a sum equal to twenty percent (20%) of the amount recovered, or $5000.00, whichever is less.

(c) When an order or award is appealed to the Court of Appeals, the attorney fee shall not exceed 20 percent of the amount recovered, or $6000.00, whichever is less.

Section 27. KRS 342.350 is amended to read as follows:

(1) In order to comply with KRS 342.340 groups of employers may form, either among themselves or with employers in other states, mutual insurance associations or reciprocal or interinsurance exchanges subject to the insurance laws of this state and such reasonable conditions and restrictions not inconsistent therewith as may be fixed by the board. Membership in such mutual insurance associations or reciprocal or interinsurance exchanges so approved, together with evidence of the payment of premiums due, shall be evidence of compliance with KRS 342.340.

(2) The board may, except as provided in subsection (3), require any mutual insurance association or reciprocal or interinsurance exchange to purchase an annuity or to effect reinsurance with a company authorized to transact insurance in this state or to make such deposit with a bank or trust company of this state as shall in either case be approved by the board for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.

(3) Any mutual insurance association or reciprocal or interinsurance exchange possessing a surplus of at least one hundred thousand dollars ($100,000) and not less in amount than the capital required of a domestic stock insurance company transacting the same kind of insurance, shall not be required to purchase an annuity or effect reinsurance with a company authorized to transact insurance in this state or to make such a deposit with a bank or trust company of this state for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.

(4) In addition, the board, under rules and regulations as it *shall* [may] prescribe, may permit two or more employers to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as self-insurers and each employer member of such approved group shall be classified as a self-insurer as defined under this chapter. Employers securing certification as group self-insurers are regulated by the

rules and regulations drawn by the *workers'* [workmen's] compensation board and are not to be in any way subject to the provisions of subsections (1), (2), and (3) of this section; provided, however, that the Governor may assign the regulatory authority under this subsection to another board or agency pursuant to KRS 12.025.

Section 28. KRS 342.375 is amended to read as follows:

Every policy or contract of *workers'* [workmen's] compensation insurance under this chapter, issued or delivered in this state, shall cover the entire liability of the employer for compensation to every one of his employes subject to this chapter, except as otherwise provided in KRS 342.345. However, if specifically authorized by the director, a separate insurance policy may be issued for a specified plant or work location if the liability of such employer under this chapter to all his other employes subject to this chapter is otherwise secured and provided that no employe transferred from one plant or work location to another within the employment of the same employer shall thereby lose any benefit rights accumulated under the average weekly wage concept.

Section 29. KRS 342.390 is amended to read as follows:

Election to operate under this chapter if an employer is not mandatorily subject to the chapter shall be effected by the employer purchasing *workers'* [workmen's] compensation insurance or qualifying as a self insured. The proof of election shall be the proof of insurance coverage provided for in KRS 342.340(2).

Section 30. KRS 342.395 is amended to read as follows:

Where an employer is subject to this chapter, then every employe of such employer, as a part of his contract of hiring or who may be employed at the time of the acceptance of the provisions of this chapter by such employer, shall be deemed to have accepted all the provisions of this chapter and shall be bound thereby unless he shall have filed, prior to the injury or incurrence of occupational disease, written notice to the contrary with the employer; and such acceptance shall include all of the provisions of this chapter with respect to traumatic personal injury, silicosis and any other occupational disease. However, before an employe's written notice of rejection shall be considered effective, the employer must file the employe's notice of rejection with the [workmen's compensation] board. The [workmen's compensation] board shall not give effect to any rejection of this chapter not voluntarily made by the employe. If an employe withdraws his rejection, the employer shall notify the [workmen's compensation] board.

Until such notice to the contrary is so given to the employer, the measure of liability of such employer shall be determined according to the compensation provisions of this chapter. Any such employe, may, without prejudice to any existing right or claim, withdraw his election to reject this chapter by filing with the employer a written notice of withdrawal, stating the date when the withdrawal is to become effective. Following the filing of such notice, the status of the party withdrawing shall become the same as if the former election to reject this chapter had not been made, except that withdrawal shall not be effective as to any injury sustained or disease incurred less than one (1) week after the notice is filed.

Section 31. KRS 342.402 is amended to read as follows:

The *workers'* [workmen's] compensation board, the director, or his authorized representative, upon showing a certification of noncompliance, may temporarily restrain or temporarily or permanently enjoin the further operation of any employer covered by this chapter. Such action shall be brought in Franklin Circuit Court.

Section 32. KRS 342.440 is amended to read as follows:

For the purpose of paying the salaries and necessary expenses of the board, [and] its *hearing officers,* [assistants] and employes in administering and carrying out this chapter an administrative fund shall be created and maintained in the manner provided in KRS 342.450 to 342.485.

Section 33. KRS 342.445 is amended to read as follows:

Every insurance carrier including the parties to any interindemnity contract or reciprocal plan or scheme, *or group self-insurers as authorized by KRS 342.350(4)* insuring employers in this state against liability for personal injuries to their employes, or death caused thereby under this chapter, shall pay a tax upon the premium received, whether in cash or notes, in this state or on account of business done in this state, for such insurance in this state, at the rate of two per cent (2%) of the amount of the premium. This tax shall be in lieu of all other taxes on such premiums. It shall be assessed and collected as provided in KRS 342.450. Such insurance carriers shall be credited with all canceled or returned premiums, including dividends paid or credited to policyholders, and with premiums received for reinsurance assumed from companies authorized and licensed to transact business in this state.

Section 34. KRS 342.620 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Injury" means any work related harmful *physical* change in the human organism *arising out of and in the course of the employment*, including damage to or loss of a prosthetic appliance, but does not include any communicable disease unless the risk of contracting such disease is increased by the nature of the employment. "Injury" when used generally, unless the context indicates otherwise, shall include an occupational disease.

(2) "Occupational disease" means a disease arising out of and in the course of the employment.

(3)[(a)] *An occupational* [A] disease *as defined in this section* shall be deemed to arise out of the employment if there is apparent to the rational mind, upon consideration of all the circumstances, a causal connection between the conditions under which the work is performed and the occupational disease, and which can be seen to have followed as a natural incident to the work as a result of the exposure occasioned by the nature of the employment and which can be fairly traced to the employment as the proximate cause. The *occupational* disease shall be incidental to the character of the business and not independent of the relationship of employer and employe. *An occupational* [The] disease need not have been foreseen or expected but, after its contraction, it must appear to be related to a risk connected with the employment and to have flowed from that source as a rational consequence.

(4)[(b)] "Injurious exposure" as used in KRS 342.316 shall mean that exposure to occupational hazard which would, independently of any other cause whatsoever, produce or cause the disease for which claim is made.

(5)[(3)] "Death" means death resulting from an injury or occupational disease.

(6)[(4)] "Carrier" means any insurer, or legal representative thereof, authorized to insure the liability of employers under this chapter and includes a self-insurer.

(7)[(5)] "Self-insurer" is an employer who has been authorized under the provisions of this chapter to carry his own liability on his employes covered by this chapter.

(8)[(6)] "Department" means the department of labor.

(9)[(7)] "Director" means the director of the *workers'* [workmen's] compensation board.

(10)[(8)] "Board" means the *workers'* [workmen's] compensation board.

(11)[(9)] "Disability" means *a bodily functional disability which may or may not be accompanied by an occupational disability*[, except for purposes of KRS 342.730(1)(c) relating to scheduled losses, a decrease of wage earning capacity due to injury or loss of ability to compete to obtain the kind of work the employe is customarily able to do, in the area where he lives, taking into consideration his age, occupation, education, effect upon employe's general health of continuing in the kind of work he is customarily able to do, and impairment or disfigurement].

(12) "Functional disability" means a bodily functional impairment. The percentage of functional disability incurred by an employe as a result of injury or occupational disease shall be determined as set forth in "Guides to the Evaluation of Permanent Impairment," American Medical Association, 1977 edition.

(13) "Occupational disability" means a decrease of wage-earning capacity due to an injury or occupational disease. Wage-earning capacity prior to injury shall be the employe's average weekly wage as calculated under KRS 342.140. Wage-earning capacity after the injury shall be presumed to be the employe's actual average weekly wage after the injury as calculated under KRS 342.140. This presumption may be overcome by showing that the employe's earnings after the injury do not fairly and reasonably represent his wage-earning capacity in light of all factors and circumstances in the case which may affect the injured worker's capacity to earn wages.

(14)[(10)] "Income benefits" means payments made under the provisions of this chapter to the disabled worker or his dependents in case of death, excluding medical and related benefits.

(15)[(11)] "Medical and related benefits" means payments made for medical, hospital, burial and other services as provided in this chapter other than income benefits.

(16)[(12)] "Compensation" means all payments made under the provisions of this chapter representing the sum of income benefits and medical and related benefits.

(17)[(13)] "Medical services" means medical, surgical, dental, hospital, nursing and medical rehabilitation services, medicines, and fittings for artificial or prosthetic devices.

(18)[(14)] "Person" means any individual, partnership, firm, association, trust, joint venture, corporation, or legal representative thereof.

(19)[(15)] "Wages" means, in addition to money payments for services rendered, the reasonable value of board, rent, housing, lodging, fuel or similar advantages received from the employer, and gratuities received in the course of employment from others than the employer as evidenced by the employe's federal and state tax returns.

(20)[(16)] "Agriculture" means the operation of farm premises, including the planting, cultivation, producing, growing, harvesting and preparation for market of agricultural or horticultural commodities thereon, the raising of livestock for food products and for racing purposes, and poultry thereon, and any work performed as an incident to or in conjunction with such farm operations. It shall not include the commercial processing, packing, drying, storing, or canning of such commodities for market, or making cheese or butter or other dairy products for market.

(21)[(17)] "Beneficiary" means any person who is entitled to income benefits or medical and related benefits under this chapter.

(22)[(18)] "United States" when used in a geographic sense, means the several states, the District of Columbia, the commonwealth of Puerto Rico, the Canal Zone, and the territories of the United States.

(23)[(19)] "Alien" means a person who is not a citizen, a national or a resident of the United States or Canada. Any person not a citizen or national of the United States who relinquishes or is about to relinquish his residence in the United States shall be regarded as an alien.

(24) "Actually dependent" means dependent in fact upon the employe, and refers only to a person who received more than half of his support from the employe or one who is entitled to receive support by law or by order of a court of competent jurisdiction.

[(20) Except as otherwise provided in KRS 342.750, the formula for income benefits shall be 66-⅔ percent of the average weekly wages of the employe at the time of his injury, multiplied by the percentage of disability caused by the injury or occupational disease, subject to the limitation contained in KRS 342.740. Income benefits shall be payable during the applicable compensable period which is either (a) the specified number of weeks, or (b) the period of occupational disability during which the employe is disabled, or (c) where death results from the injury, the period during which the deceased's dependents qualify as such, or (d) where death is unrelated to the injury, the period during which the deceased's dependents qualify as such or during the period of the deceased's normal life expectancy, whichever is less.]

Section 35. KRS 342.670 is amended to read as follows:

(1) If an employe, while working outside the territorial limits of this state, suffers an injury on account of which he, or in the event of his death, his dependents, would have been entitled to the benefits provided by this chapter had such injury occurred within this state, such employe, or in the event of his death resulting from such injury, his dependents, shall be entitled to the benefits provided by this chapter, provided that at the time of such injury:

(a) His employment is principally localized in this state, or

(b) He is working under a contract of hire made in this state in employment not principally localized in any state, or

(c) He is working under a contract of hire made in this state in employment principally localized in another state whose *workers'* [workmen's] compensation law is not applicable to his employer, or

(d) He is working under a contract of hire made in this state for employment outside the United States and Canada.

(2) The payment or award of benefits under the *workers'* [workmen's] compensation law of another state, territory, province or foreign nation to an employe or his dependents otherwise entitled on account of such injury or death to the benefits of this chapter shall not be a bar to a claim for benefits under this chapter, provided that claim under this chapter is filed within two (2) years after such injury or death. If compensation is paid or awarded under this chapter:

(a) The medical and related benefits furnished or paid for by the employer under such other *workers'* [workmen's] compensation law on account of such injury or death shall be credited against the medical and related benefits to which the employe would have been entitled under this chapter had claim been made solely under this chapter;

(b) The total amount of all income benefits paid or awarded the employe under such other *workers'* [workmen's] compensation law shall be credited against the total amount of income benefits which would have been due the employe under this chapter, had claim been made solely under this chapter;

(c) The total amount of death benefits paid or awarded under such other *workers'* [workmen's] compensation law shall be credited against the total amount of death benefits due under this chapter;

(3) If any employe is entitled to the benefits of this chapter by reason of an injury sustained in this state in employment by an employer who is domiciled in another state and who has not secured the payment of compensation as required by this chapter, the employer or his carrier may file with the board a certificate, issued by the commission or agency of such other state having jurisdiction over *workers'* [workmen's] compensation claims, certifying that such employer has secured the payment of compensation under the *workers'* [workmen's] compensation law of such other state and that with respect to said injury such employe is entitled to the benefits provided under such law, and that the benefits to which such employe or his dependents is entitled are at least as great as those to which he would be entitled if the injury occurred and was processed under Kentucky law, under Kentucky coverage. In such event:

(a) The filing of such certificate shall constitute an appointment by such employer or his carrier of the board as his agent for acceptance of the service of process in any proceeding brought by such employe or his dependents to enforce his or their rights under this chapter on account of such injury;

(b) The board shall send to such employer or carrier, by registered or certified mail to the address shown on such certificate, a true copy of any notice of claim or other process served on the board by the employe or his dependents in any proceeding brought to enforce his or their rights under this chapter;

(c) 1. If such employer is a qualified self-insurer under the *workers'* [workmen's] compensation law of such other state, such employer shall, upon submission of evidence satisfactory to the board, of his ability to meet his liability to such employe under this chapter, be deemed to be a qualified self-insurer under this chapter;

2. If such employer's liability under the *workers'* [workmen's] compensation law of such other state is insured, such employer's carrier, as to such employe or his dependents only, shall be deemed to be an

insurer authorized to write insurance under and be subject to this chapter; provided, however, that unless its contract with said employer requires it to pay an amount equivalent to the compensation benefits provided by this chapter, its liability for income benefits or medical and related benefits shall not exceed the amounts of such benefits for which such insurer would have been liable under the *workers'* [workmen's] compensation law of such other state;

(d) If the total amount for which such employer's insurance is liable under (c) above is less than the total of the compensation benefits to which such employe is entitled under this chapter, the board may, if it deems it necessary, require the employer to file security, satisfactory to the board, to secure the payment of benefits due such employe or his dependents under this chapter, and

(e) Upon compliance with the preceding requirements of this subsection (3), such employer, as to such employe only, shall be deemed to have secured the payment of compensation under this chapter.

(4) As used in this section:

(a) "United States" includes only the states of the United States and the District of Columbia;

(b) "State" includes any state of the United States, the District of Columbia, or any Province of Canada;

(c) "Carrier" includes any insurance company licensed to write *workers'* [workmen's] compensation insurance in any state of the United States or any state or provincial fund which insures employers against their liabilities under a *workers'* [workmen's] compensation law;

(d) A person's employment is principally localized in this or another state when:

1. His employer has a place of business in this or such other state and he regularly works at or from such place of business, or

2. If subparagraph 1. foregoing is not applicable, he is domiciled and spends a substantial part of his working time in the service of his employer in this or such other state;

(e) An employe whose duties require him to travel regularly in the service of his employer in this and one or more other states may, by written agreement with his employer, provide that his employment is principally localized in this or another such state, and, unless such other state refuses jurisdiction, such agreement shall be given effect under this chapter;

(f) *"Workers'* ["Workmen's] compensation law" includes "occupational disease law."

Section 36. KRS 342.680 is amended to read as follows:

In any claim for compensation, where the employe has been killed, or is physically or mentally unable to testify as confirmed by competent medical evidence and where there is unrebutted prima facie evidence that indicates that the injury *or death arose out of and in the course of employment* [was work related], it shall be presumed, in the absence of substantial evidence to the contrary, that the injury *or death arose out of and in the course of employment* [was work related], that sufficient notice of the injury has been given, and that the injury or death was not proximately caused by the employe's intoxication or by his willful intention to injure or kill himself or another.

Section 37. KRS 342.700 is amended to read as follows:

(1) Whenever an injury for which compensation is payable under this chapter has been sustained under circumstances creating in some other person than the employer a legal liability to pay damages, the injured employe may either claim compensation or proceed at law by civil action against such other person to recover damages, or proceed both against the employer for compensation and such other person to recover damages, but he shall not collect from both. If the injured employe elects to proceed at law by civil action against such other person to recover damages, he shall give due and timely notice to the employer of the filing of such action. If compensation is awarded under this chapter, the employer, his insurance carrier, the Special Fund, and the Uninsured Employer's Fund, or any of them, having paid the compensation or having become liable therefor, may recover in his or its own name or that of the injured employe from the other person in whom legal liability for damages exists, not to exceed the indemnity paid and payable to the injured employe, less the employe's legal fees and expense.

(2) A principal contractor, intermediate or subcontractor shall be liable for compensation to any employe injured while in the employ of any one of his intermediate or subcontractors and engaged upon the subject matter of the contract, to the same extent as the immediate employer. Any principal, intermediate or subcontractor who pays such compensation may recover the amount paid from any subordinate contractor through whom he has been rendered liable under this section. Every claim to compensation under this subsection shall in the first instance be presented to and instituted against the immediate employer, but such proceedings shall not constitute a waiver of the employe's rights to recover compensation under this chapter from the principal or intermediate contractor nor shall such claim be barred by limitations, provided such claim is filed against the principal or intermediate contractor within one year after a final unappealed order has been rendered by the *workers'* [workmen's] compensation board determining that immediate employer has insufficient security to pay the full and maximum benefits that could be determined to be due him under this chapter. The collection of full compensation from one employer shall bar recovery by the employe against any other. But he shall not collect from all a total compensation in excess of the amount for which his immediate employer is liable. This subsection shall apply only in cases where the injury occurred on, in or about

the premises on which the principal contractor has undertaken to execute work or which are under his control otherwise or management.

Section 38. KRS 342.710 is amended to read as follows:

(1) One of the primary purposes of this chapter shall be restoration of the injured employe to gainful employment. To this end there is hereby created a rehabilitation panel which shall be composed of the director and specialists in medical and vocational rehabilitation to be appointed by the board.

(2) The panel shall continuously study the problems of rehabilitation, both physical and vocational, and shall investigate and maintain a directory of all rehabilitation facilities, both private and public. The board in consultation with the panel, shall approve as qualified such facilities, institutions and physicians as are capable of rendering competent rehabilitation service to seriously injured employes. No facility or institution shall be considered as qualified unless it is specifically equipped to provide rehabilitation services for persons suffering either from some specialized type of disability or general type of disability within the field of occupational injury and is staffed with trained and qualified personnel, and with respect to physical rehabilitation, unless it is supervised by a physician qualified to render such service. No physician shall be considered qualified unless he has had the experience and training specified by the board.

(3) An employe who has suffered an injury covered by this chapter shall be entitled to prompt medical rehabilitation services *for whatever period of time necessary to accomplish physical rehabilitation goals which are feasible, practical, and justifiable*. When as a result of the injury he is unable to perform work for which he has previous training or experience, he shall be entitled to such vocational rehabilitation services, including retraining and job placement, as may be reasonably necessary to restore him to suitable employment. *In all such instances, the board shall inquire whether* [If] such services *have been* [are not] voluntarily offered and accepted, the board on its own motion, or upon application of *any party* [the employe, employer] or carrier, after affording the parties an opportunity to be heard [by the panel], may refer the employe to a qualified physician or facility for evaluation of the practicability of, need for, and kind of service, treatment or training necessary and appropriate to render him fit for a remunerative occupation. Upon receipt of such report, and after affording the parties an opportunity to be heard by the panel, the board, in consultation with the panel, may order that the services and treatment recommended in the report, or such other rehabilitation treatment or service he may deem necessary, be provided at the expense of the *defendents as apportioned in the award* [employer]. Vocational rehabilitation training, treatment or service shall not extend for a period of more than *fifty-two (52)* [26] weeks except in unusual cases when by special order of the board, after hearing *and upon a finding, determined by sound medical evidence which indicates such further rehabilitation is feasible, practical, and justifiable*, the period may be extended for additional periods.

(4) Where rehabilitation requires residence at or near the facility or institution, away from the employe's customary residence, reasonable cost of his board, lodging or travel shall be paid for by the *defendant* [employer].

(5) Refusal to accept rehabilitation pursuant to an order of the board shall result in a 50 percent loss of compensation for each week of the period of refusal.

(6) The board and the rehabilitation panel shall cooperate on a reciprocal basis with the Kentucky Bureau of Rehabilitation Services of the Department of Education and the Employment Services of the Kentucky Department for Human Resources.

Section 39. KRS 342.730 is amended to read as follows:

(1) Income benefits for disability shall be paid to the employe as follows[, subject to the maximum and minimum limits specified in KRS 342.740]:

(a) For *a functional disability which results in* total *occupational* disability, 66 ⅔ per cent of *the employe's* [his] average weekly wage, *as limited by KRS 342.740,* during such disability *until the employe becomes eligible for normal old age benefits under the federal old age, survivors and disability insurance act.*

(b) *For permanent, partial disability, sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage as limited by KRS 342.740, multiplied by his percentage of functional disability caused by the injury or occupational disease as determined by "Guides to the Evaluation of Permanent Impairment," American Medical Association, 1977 edition, or by his percentage of occupational disability as determined under KRS 342.620(13), whichever is greater, for a maximum of two hundred eight (208) weeks.* [In all other cases of permanent partial disability, including any disfigurement which will impair the future usefulness or occupational opportunities of the injured employe, or employe disabled by an occupational disease, income benefits shall be determined according to the percentage of disability, taking into account, among other things, any previous disability, the nature of the physical injury or disfigurement, the occupation of the injured employe and age at the time of injury or at the time the disability from an occupational disease began. The income benefits paid therefor shall be 66 ⅔ per cent of the average weekly earnings of the employe at the time of his injury, subject to the limitations contained in KRS 342.740, multiplied by the percentage of disability caused by the injury or occupational disease. Notwithstanding any section of KRS Chapter 342 to the contrary, there shall be no minimum weekly income benefit for permanent partial disability.

(c) For total permanent bodily loss or losses herein scheduled, after and in addition to the income benefits payable during the period of recovery, scheduled income benefits in the amount of 66 ⅔ per cent of the average weekly wage as follows:

BODILY LOSS	WEEKS OF DISABILITY
1. Arm	340
2. Leg	340
3. Hand	312
4. Foot	216
5. Thumb	86
6. Index finger	54
7. Middle finger	43
8. Ring finger	22
9. Little finger	16
10. Great toe	30
11. Second toe	20
12. Third toe	15
13. Fourth toe	8
14. Fifth toe	5
15. Total loss of binaural hearing	156
16. Total loss of vision of one eye	150
17. Total loss of bilateral vision	520
18. Total loss, or total loss of use, of both hands, both arms, both feet or both legs	520

19. Phalanges: For loss of distal phalanx, one-half of the income benefits for loss of the entire digit. For loss of more than the distal phalanx of a digit, the same as loss of the entire digit.

20. Two or more digits: For loss of two or more digits, or one or more phalanges of two or more digits, of a hand or foot, scheduled income benefits may be proportioned to the loss of use of the hand or foot occasioned thereby, but shall not exceed the scheduled income benefits for loss of a hand or foot.

21. Total loss of use: Scheduled income benefits for permanent total loss of use of a member shall be the same as for loss of the member.

22. Partial loss or partial loss of use: Scheduled income benefits for permanent partial loss of use of a member shall be for a period proportionate to the period benefits are payable for total loss or total loss of use of the member as such partial loss bears to total loss.

23. Loss of hearing or partial loss of bilateral vision: Scheduled income benefits for partial loss of vision in one or both eyes, or total loss of hearing in one ear, or partial loss of hearing in one or both ears shall be for a period proportionate to the period benefits are payable for total bilateral loss of vision or total binaural loss of hearing as such partial loss bears to total loss. The provisions of paragraphs (d) to (h) of subsection (2) of this section shall apply to scheduled losses of hearing.

24. In any case in which there shall be a loss or loss of use of more than one member or parts of more than one member set forth in subparagraphs 1. to 23. of this subsection, scheduled income benefits shall be for the loss of use of each such member or part thereof, with the periods of benefits to run consecutively.

25. Other losses: Proper and equitable scheduled income benefits shall be paid for serious permanent disfigurement of face, head, neck or other area normally exposed and for loss or loss of function of a major member or organ when such disfigurement or loss is of a kind likely to handicap the employe in securing or holding employment.

26. In any case of total or partial loss of use of a member or organ, of hearing or vision, or in any case of disfigurement, determination of the period for which scheduled income benefits are payable shall not be made until the maximum of healing and of restoration function has been attained.

27. If the board finds as a fact that the effects of any of the injuries, or disabilities, from occupational diseases, or losses, mentioned in this section adversely affect a workman's ability to labor, or limit his occupational opportunities to obtain the kind of work he is customarily able to do; his compensation benefits shall not be limited to the amounts provided by this section, and he shall be awarded compensation benefits under some other applicable or appropriate section of this chapter which would provide more compensation benefits for his disability.]

(2) *In accordance with 42 USCA 424a(d) benefits shall be adjusted as follows:*

(a) In cases where it is determined that periodic disability benefits granted by the federal old age, survivors, and disability insurance act are payable to an individual and his dependents, if any, the aggregate benefits payable for permanent total disability pursuant to this chapter shall be reduced, but not below zero, by an amount equal as nearly as practical to one-half such federal periodic benefits; but, if provisions of the federal old age, survivors, and, disability insurance act should be amended to provide for a reduction of an individual's disability benefits thereunder because of compensation benefits payable under this chapter,

the reduction of compensation benefits provided in this section shall be decreased by an amount equal to such federal reductions.

(b) In cases where it is determined that periodic disability benefits are payable to an employe under the provisions of a pension plan financed in whole or in part by the employer, the aggregate benefits payable for permanent total disability pursuant to this chapter shall be reduced, but not below zero, by an amount equal as nearly as practical to such employer pension plan benefits, with the following limitations:

1. Where the employe has contributed to the employer pension plan and has been liable for federal income tax on such contribution part as earned income, benefits shall be reduced under this section only in an amount proportional to the employer's percentage of total contributions to the employer pension plan.

2. Where the employer pension plan provides by its terms that benefits are precluded thereunder in whole or in part if benefits are awarded under this chapter, the reduction provided in this section shall not be applicable to the extent of the amount so precluded.

(c) In cases where it is determined that periodic disability benefits are payable to an individual and his dependents pursuant to a workmen's compensation act of another state or of the federal government, the aggregate benefits payable for temporary total disability, temporary partial disability, permanent partial disability, and permanent total disability pursuant to this chapter shall be reduced, but not below zero, by an amount equal to the benefits payable pursuant to such other workmen's compensation act. [Occupational deafness means permanent partial or permanent total loss of hearing of one or both ears caused by prolonged exposure to harmful noise in employment. The following provisions shall apply exclusively to loss of hearing compensable under this subsection:

(a) No claim for scheduled income benefits shall be heard until the lapse of six full consecutive calendar months after the termination of exposure to harmful noise in employment. The time limitation for the filing of claims for occupational deafness shall not begin to run earlier than the day following the termination date of such six months' period. The time for filing claim as provided under this paragraph shall be applicable not only in respect of the last employer, but also in respect of any prior employer who may have liability to pay compensation for the occupational deafness.

(b) No employer shall be liable for the payment of scheduled income benefits for occupational deafness unless the employe claiming benefits shall have worked for such employer in employment exposing the employe to harmful noise for a total period of at least 90 days.

(c) An employer, otherwise liable under this subsection, whose employment has contributed to any extent to an employe's occupational deafness shall be liable for the full extent of the deafness of the employe, unless such employer shall establish by competent evidence (including the results of a professionally controlled hearing test) the extent of the employe's deafness as it existed prior to exposure to harmful noise in the employer's employment. Upon such showing the employer shall be liable to the employe only for the proportion of the deafness attributable to employment by him. An employer liable to the employe for the full extent of the employe's occupational deafness may implead, in a compensation proceeding on the employe's claim, any prior employer or employers in whose employment the employe had been exposed to harmful noise, and if it should be found that the impleaded employer would have been liable to the employe under this subsection, had the employe proceeded against him, under the claim being adjudicated, the employer held liable shall be entitled to an award against the impleaded employer. The impleading of an employer shall be accomplished by notice on a form prescribed by the board. Such notice shall be sent to the impleaded employer and to the board. An award may be made in favor of the employer liable to the employe, and against the impleaded employer or employers, which award may be enforced in the same manner as awards to employes. The impleaded employer or employers shall bear equal shares with the employer of the employer's liability to the employe, unless the evidence warrants a different apportionment.

(d) Losses of hearing due to industrial noise for compensation purposes shall be confined to the frequencies of 500, 1,000, and 2,000 cycles per second. Loss of hearing ability for frequency tones above 2,000 cycles per second are not to be considered as constituting disability for hearing.

(e) The percent of hearing loss, for purposes of the determination of compensation claims for occupational deafness, shall be calculated as the average, in decibels, of the thresholds of hearing for the frequencies of 500, 1,000, and 2,000 cycles per second. Pure tone air conduction audiometric instruments, approved by nationally recognized authorities in this field, shall be used for measuring hearing loss. If the losses of hearing average 15 decibels or less in the three frequencies, such losses of hearing shall not then constitute any compensable hearing disability. If the losses of hearing average 82 decibels or more in the three frequencies, then the same shall constitute and be a total or 100 percent compensable hearing loss.

(f) In measuring hearing impairment, the lowest measured losses in each of the three frequencies shall be added together and divided by three to determine the average decibel loss. For every decibel of loss exceeding 15 decibels an allowance of one and one-half percent shall be made up to the maximum of 100 percent which is reached at 82 decibels.

(g) In determining the binaural percentage of loss, the percentage of impairment in the better ear shall be multiplied by five. The resulting figure shall be added to the percentage of impairment in the poorer ear and the sum of the two divided by six. The final percentage shall represent the binaural hearing impairment.

(h) Before determining the percentage of hearing impairment, in order to allow for the average amount of hearing loss from non-occupational causes found in the population at any given age, there shall be deducted from the total average decibel loss, one-half decibel for each year of the employe's age over 40 at the time of last exposure to industrial noise.

(i) No consideration shall be given to the question of whether or not the ability of an employe to understand speech is improved by the use of a hearing aid.]

(3) The period of any [scheduled] income benefits payable under this section on account of any injury shall be reduced by the period of income benefits paid or payable under this chapter on account of a prior injury if [scheduled] income benefits in both cases are for disability of the same member or function, or different parts of the same member or function, and the [scheduled] income benefits payable on account of the subsequent disability in whole or in part would duplicate the [scheduled] income benefits payable on account of the pre-existing disability.

(4) When an employe, who has sustained disability compensable under this section, and who has filed, or could have timely filed, a valid claim in his lifetime, dies from causes other than the injury before the expiration of the compensable period specified, the income benefits specified and unpaid at the individual's death, whether or not accrued or due at his death, shall be paid, under an award made before or after such death, for the period specified in this section, to and for the benefit of the persons within the classes at the time of death and in the proportions and upon the conditions specified in this section and in the order named:

(a) To the widow or widower, if there is no child under the age of 18 or incapable of self-support; or

(b) If there are both such a widow or widower and such a child or children, one-half to such widow or widower and the other half to such child or children; or

(c) If there is no such widow or widower but such a child or children, then to such child or children; or

(d) If there is no survivor in the above classes, then the parent or parents wholly or partly actually dependent for support upon the decedent, or to other wholly or partly actually dependent relatives listed in paragraph (g) of subsection (1) of KRS 342.750 or to both, in such proportions as the board may provide by regulation.

Section 40. KRS 342.740 is amended to read as follows:

(1) *Income benefits under KRS 342.730 shall be computed by using sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage or seventy-five percent (75%) of the state average weekly wage as defined herein, whichever is less.* [The minimum weekly income benefits for disability shall not be less than 20 percent (computed to the next higher multiple of $1.00) and the maximum weekly income benefit shall not exceed 60 percent (computed to the next higher multiple of $1.00) of the average weekly wage of the state as defined herein. In any event, income benefits shall not exceed the average weekly wage of the injured employe.]

(2) For the purposes of this chapter the average weekly wage of the state shall be determined by the board as follows: On or before September 1 of each year, the total wages reported by subject employers under the Kentucky Unemployment Insurance law for the preceding calendar year shall be divided by the average monthly number of insured workers (determined by dividing the total number of insured workers reported for the preceding year by twelve). The average annual wage thus obtained shall be divided by 52 and the average weekly wage thus determined rounded to the nearest cent. Such average weekly wage shall be certified to the board by the Department for Human Resources in a manner prescribed by the board by regulation. The average weekly wage as so determined shall be applicable for the full period during which income or death benefits are payable, when the date of occurrence of injury or of disablement in the case of disease, or of death, falls within the calendar year commencing January 1 following the September 1 determination.

(3) Whenever a change in the average weekly wage of the state is of such amount that the minimum weekly income benefits for total disability or death are increased or decreased by $1.00 or more, or the maximum weekly income benefits for total disability or for death are increased or decreased by $2.00 or more computed in each case and rounded to the nearest dollar, an adjustment in those minimums or maximums which are affected in the requisite amount by the change in the average weekly wage of the state shall be made which will reflect the increase or decrease, but no change in such limitations shall otherwise be made.

Section 41. KRS 342.750 is amended to read as follows:

If the injury causes death, income benefits shall be payable in the amount and to or for the benefit of the persons following, subject to the maximum limits specified in subsections (3) and (4) of this section:

(1) (a) If there is a widow or widower and no children of the deceased, to such widow or widower 50 percent of the average weekly wage of the deceased, during widowhood or widowerhood.

(b) To the widow or widower, if there is a child or children living with the widow or widower, 45 percent of the average weekly wage of the deceased, or 40 percent, if such child is not or such children are not living with a widow or widower, and in addition thereto, 15 percent for each child. Where there are more than two such children, the indemnity benefits payable on account of such children shall be divided among such children, share and share alike.

(c) Two years' indemnity benefits in one lump sum shall be payable to a widow or widower upon remarriage.

(d) To the children, if there is no widow or widower, 50 percent of such wage for one child, and 15 percent for each additional child, divided among such children share and share alike.

(e) The income benefits payable on account of any child under this section shall cease when he dies, marries, or reaches the age of eighteen, or when a child over such age ceases to be physically or mentally incapable of self-support, or if actually dependent ceases to be actually dependent, or, if enrolled as a full-time student in any accredited educational institution, ceases to be so enrolled or reaches the age of 22. A child who originally qualified as a dependent by virtue of being less than 18 years of age may, upon reaching age 18, continue to qualify if he satisfies the tests of being physically or mentally incapable of self-support, actual dependency, or enrollment in an educational institution.

(f) To each parent, if actually dependent, 25 percent.

(g) To the brothers, sisters, grandparents, and grandchildren, if actually dependent, 25 percent to each such dependent. If there should be more than one of such dependents, the total income benefits payable on account of such dependents shall be divided share and share alike.

(h) The income benefits of each beneficiary under paragraphs (f) and (g) above shall be paid until he, if a parent or grandparent, dies, marries, or ceases to be actually dependent, or, if a brother, sister, or grandchild, dies, marries, or reaches the age of eighteen or if over that age ceases to be physically or mentally incapable of self-support, or ceases to be actually dependent.

(i) A person ceases to be actually dependent when his income from all sources exclusive of *workers'* [workmen's] compensation income benefits is such that, if it had existed at the time as of which the original determination of actual dependency was made, it would not have supported a finding of dependency. In any event, if the present annual income of an actual dependent person including *workers'* [workmen's] compensation income benefits at any time exceeds the total annual support received by the person from the deceased employe, the *workers'* [workmen's] compensation benefits shall be reduced so that the total annual income is no greater than such amount of annual support received from the deceased employe. In all cases, a person found to be actually dependent shall be presumed to be no longer actually dependent three years after each time as of which the person was found to be actually dependent. This presumption may be overcome by proof of continued actual dependency as defined in this subsection, but full payments shall not be suspended during the pendency of any proceeding to determine dependency.

(2) Upon the cessation of income benefits under this section to or on account of any person, the income benefits of the remaining persons entitled to income benefits for the unexpired part of the period during which their income benefits are payable shall be that which such persons would have received if they had been the only persons entitled to income benefits at the time of the decedent's death.

(3) For the purposes of this section, the average weekly wage of the employe shall be taken as not more than the average weekly wage of the state as determined in KRS 342.740. In no case shall the aggregate weekly income benefits payable to all beneficiaries under this section exceed the maximum income benefit that was or would have been payable for total disability to the deceased, including benefits to his dependents.

(4) The maximum weekly income benefits payable for all beneficiaries in case of death shall not exceed 75 percent of the average weekly wage of the deceased as calculated under KRS 342.140, subject to the maximum limits in subsection (3) above. The maximum aggregate limitation shall not operate in case of payment of two years' income benefits to the widow or widower upon remarriage as provided under paragraph (c) of subsection (1) of this section, to prevent the immediate recalculation and payments of benefits to the remaining beneficiaries as provided under subsection (2) of this section, but the weekly income benefits as to such remaining beneficiaries shall not exceed the weekly income benefit that was or would have been payable for total disability to the deceased. The classes of beneficiaries specified in paragraphs (a), (b) and (d) of subsection (1) shall have priority over all other beneficiaries in the apportionment of income benefits. If the provisions of this subsection should prevent payment to other beneficiaries of the income benefits to the full extent otherwise provided for by this section, the gross remaining amount of income benefits payable to such other beneficiaries shall be apportioned by class, proportionate to the interest of each class in the remaining amount. Parents shall be considered to be in one class and those specified in paragraph (f) of subsection (1) in another class.

(5) All relations of dependency referred to in this section shall mean dependency existing at the time of the accident to the employe or at the time his disability from an occupational disease began.

(6) *In accordance with 42 USCA 424a(d), benefits shall be adjusted as follows: In cases where it is determined that periodic death benefits granted by the federal old age, survivors, and disability insurance act or a workers' compensation act of another state or of the federal government are payable to an individual and his dependents, the aggregate benefits payable for death pursuant to this section shall be reduced, but*

not below zero, by an amount equal to one hundred percent (100%) of such periodic benefits [If death occurs as a direct result of a work related injury, and the deceased has no statutory dependents, as determined by this section, a lump sum payment of $10,000 shall be paid to his estate, in addition to the amount provided for in KRS 342.720; provided, however, that the lump sum payment shall be reduced by any income benefits previously paid on account of that injury].

SECTION 42. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 43. KRS 342.004, Liberal construction of chapter — Presumption in case of pneumoconiosis or silicosis, and 342.800, Application to claims - Filing under federal coal mine health and safety act, are repealed.

The Committee Amendment to **HB 532** is as follows:

Amend printed copy of **HB 532** on page 86, after line 10 insert the following new "Section 43":

"SECTION 43. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

On the effective date of this Act, the commissioner of insurance shall reduce premium rates for workers' compensation insurance policies by thirty-three percent (33%) for at least two (2) years commencing on the effective date of this Act. The thirty-three percent (33%) reduction shall be applied against premium rates in effect on the effective date of this Act.";

and, renumber remaining section accordingly.

The Committee on State Government reported **HB 189** and **HB 518** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 189, AN ACT relating to historical preservation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 171 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky heritage commission shall develop a program for the preservation and restoration of significant Kentucky landmarks or structures. The commission shall select the landmarks or structures to be preserved or restored within a biennium. The commission shall prepare estimates of the cost of preserving or restoring landmarks or structures within a biennium and shall include the total of these estimates in its biennial budget request. Preservation and restoration of Kentucky landmarks or structures selected by the commission shall comply with the program established by the commission and shall be administered by the commission. The commission may enter into any agreement or contract necessary to implement the program for preservation and restoration of significant Kentucky landmarks or structures.

(2) The commission shall include in its program only landmarks or structures which are listed on the national register of historic places or located in a national register historic district. Only landmarks or structures owned by nonprofit organizations or units of local government shall be eligible for selection by the commission.

(3) Before approval of a landmark or structure is granted, the commission shall require certification that funding from the public or private sources has been requested, funds for the total cost of preservation or restoration are not available, and a statement of the total funds available from other public or private sources. If partial funding for preservation or restoration is available, the commission shall adjust its budget report accordingly.

HB 518, AN ACT relating to state officers and employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 18 IS CREATED TO READ AS FOLLOWS:

For the purpose of any regulation issued under KRS 18.210 or 18.220 governing entitlement to annual leave days, sick leave days or the accumulation of such leave days, any period of service as an elected state official, including but not limited to service in the general assembly, by any officer or employe to whom such regulation applies shall be considered to have been full-time employment in the state service.

The Committee on State Government reported **SB 75,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Substitute to **SB 75** is as follows:

SB 75, AN ACT relating to interest rates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 360.010 is amended to read as follows:

(1) The legal rate of interest is *eight* [six] per cent *(8%)* [(6%)] per annum, but any party or parties may agree, in writing, for the payment of interest in excess of that rate as follows: (a) at a *per annum* rate *not to exceed four per cent (4%) in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District where the transaction is consummated or nineteen per cent (19%), whichever is less,* [not in excess of eight and one-half per cent per annum] on money due or to become due upon any contract or other obligation in writing where the original principal amount is fifteen thousand dollars ($15,000) or less, and (b) at any rate on money due or to become due upon any contract or other obligation in writing where the original principal amount is in excess of fifteen thousand dollars ($15,000); and any such party or parties, and any party or parties who may assume or guarantee any such contract or obligation, shall be bound for such rate of interest as is expressed in any such contract, obligation, assumption, or guaranty, and no law of this state prescribing or limiting interest rates shall apply to any such agreement or to any charges which pertain thereto or in connection therewith; provided, however, nothing herein contained shall be construed to amend, repeal, or abrogate any other law of this state pertaining to any particular types of transactions for which the maximum rate of interest is specifically prescribed or provided.

(2) Any state or national bank may charge ten dollars ($10) for any loan negotiated at the bank in this state, even if the legal interest does not amount to that sum.

Section 2. Whereas, the precipitous rise of the federal discount rate has restricted the availability of loans of less than fifteen thousand dollars ($15,000) from lending institutions subject to this Act, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the governor.

The Committee on Natural Resources and Environment reported **HB 347** with Committee Amendment attached thereto, **HB 566** with Committee Substitute attached thereto, and **HB 555** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 347, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.130 is amended to read as follows:

(1) If any of the requirements of this chapter or rules or regulations adopted pursuant thereto or the orders of the department have not been complied with within the time limits set by the department or by this chapter, the department shall cause a notice of noncompliance to be served upon the operator, or where found necessary, the secretary shall after hearing (except as provided in KRS 224.071) order the suspension of a permit or operation. Such notice or order shall be handed to the person in charge of the operation, and the operator in person or served by certified [mail, return receipt requested] or [by] registered mail, *return receipt requested,* addressed to the permanent address shown on the application for a permit or if no address is shown on the application, then to the address known to the department. The notice of noncompliance or order of suspension shall specify in what respects the operator has failed to comply with this chapter or the

regulations or orders of the department. If the operator has not reached an agreement with the department or has not complied with the requirements set forth in the notice of noncompliance or order of suspension within time limits set therein, the permit may be revoked or the operation terminated, after hearing, by order of the department and the performance bond, if any, shall then be forfeited to the department, except as provided in subsection (2) of this section and in KRS 350.110. *Any hearing held pursuant to this section shall be held in the county in which the operation under consideration is located, if so requested by the operator. Such a request shall be made by the operator to the secretary in writing, served by certified registered mail, return receipt requested, within five (5) days after receipt of notice of hearing from the department.*

(2) When a bond is forfeited pursuant to the provisions of this chapter, the secretary shall give notice to the attorney general, who shall collect the forfeiture. Bond forfeitures collected in cases where the surface rights have been severed from the mineral rights shall be paid to the surface owner for the purpose of reclaiming in accordance with the provisions of this chapter the same area of land included under the bond; provided, that no payment shall be made until the reclamation has been accomplished in the manner required by the department, to the extent of available forfeited funds, and no payment shall be made beyond the actual cost of reclamation. Provided further, that this section shall not apply in cases where the owner does not desire or is unable to accomplish the work in the manner required by the department.

(3) An operator or person whose mining permit or operation has been revoked, suspended, or terminated shall not be eligible to receive another permit or begin another operation or to have suspended permits or operations reinstated until he shall have complied with all the requirements of this chapter in respect to all permits issued him, provided, further, that no operator or person shall be eligible to receive another permit or begin another operation who has forfeited any bond unless the land for which the bond was forfeited has been reclaimed without cost to the state or the operator or person has paid such sum as the department finds is adequate to reclaim such lands. The department shall not issue any additional permits to or allow future operations by any operator or person who has repeatedly been in noncompliance or violation of this chapter, or who has had permits revoked or operations terminated on more than three (3) occasions.

Section 2. KRS 351.030 is amended to read as follows:

(1) The department may prescribe rules of procedure and for offering evidence in all matters brought before it, and shall prepare and, on request, furnish to applicants copies of forms of notices and other forms that the department requires to be used, and shall prescribe the manner of serving such notices.

(2) The department shall hold one or more hearings on each matter brought before it. The commissioner, or his authorized representative of the department, may administer oaths. All interested persons shall be given due notice and an opportunity to appear and offer evidence, and to make argument by counsel if desired. The department shall decide each matter in controversy in the manner that seems to it just and reasonable and necessary or desirable for the proper enforcement of KRS 352.510 or 353.050 to 353.130.

(3) Administrative hearings requiring only the commissioner, or his authorized representative, acting as hearing officer, to be in attendance from the department, shall be held in the county in which the person or operator against whom action is being taken works or resides, if so requested by that person or operator. Requests pursuant to this subsection shall be made in writing to the commissioner and served by certified or registered mail, return receipt requested, within five (5) days after receipt of notice of hearing from the department.

Section 3. KRS 351.345 is amended to read as follows:

(1) The commissioner, before revoking any license shall set the matter down for hearing, and at least twenty (20) days prior to the date set for the hearing, he shall notify the licensee in writing, which said notice shall contain an exact statement of the charges made and the date and place of the hearing. Such written notice may be served by delivery of the same personally to the licensee or by mailing same by registered or certified mail, return receipt requested, to the last known business address of such licensee. The hearing on such charges shall be at such time and place as the commissioner shall prescribe, *unless the provisions of KRS 351.030(3) apply.*

(2) The licensee, in all hearings, shall have the opportunity to be heard in person and by counsel in reference thereto.

(3) No person shall blast once his license has been revoked by the department.

The Committee Amendment No. 1 to **HB 347** is as follows:

Amend printed copy of **HB 347** on page 2, line 9, after the word "county" insert the following words: "or regional office of the department";

and on page 4, line 19, after the word "county" insert the following words: "or regional office of the department".

HB 566, AN ACT relating to surface coal mining.

WHEREAS, the Commonwealth of Kentucky intends to establish a state program pursuant to P.L. 95-87, the "surface mining control and reclamation act of 1977" and thereby obtain primacy to exercise exclusive regulatory authority over surface coal mining and reclamation within the Commonwealth; and

WHEREAS, the laws of the Commonwealth must meet the minimum requirements of and be in accordance with and not inconsistent with the requirements of P.L. 95-87 in order that the state obtain primacy under that Act but shall not be more stringent than is required to obtain primacy considering Kentucky's unique terrain and hydrology; and

WHEREAS, many requirements imposed on the Commonwealth by the United States department of interior, office of surface mining, which must be met before the state can obtain primacy are highly objectionable on constitutional and policy grounds and the state reserves its right to oppose the objectionable requirements in the future; and

WHEREAS, many of the objectionable provisions are the subject of pending litigation which the Commonwealth may elect to join and other objectionable requirements may be challenged in the courts in the future and the state may elect to join or initiate litigation challenging these objectionable requirements; and

WHEREAS, the Commonwealth of Kentucky objects particularly to the mandatory and inflexible requirement that all surface mined land must be returned to its approximate original contour with all highwalls completely covered in all circumstances, the requirement that the state's police powers must be employed to declare lands unsuitable for mining by petition process, the requirement that persons must prepay civil penalty assessments before being allowed to challenge them and the requirements that summary cessation orders must be issued for a bare failure to abate a violation not involving any danger to the health or safety of the public or environment, and if not coerced by the threatened denial of primacy by the federal office of surface mining, the state would choose to address these matters by measures of its own devising; and

WHEREAS, the laws of the Commonwealth must be amended in a number of respects so as to authorize the state to qualify for primacy and implement the requirements of P.L. 95-87 but should not become effective until the United States secretary of interior approves the state program pursuant to P.L. 95-87;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Surface coal mining operations" means activities conducted on the surface of lands in connection with a surface coal mine or subject to the requirements of this chapter and surface impacts incident to an underground coal mine. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, the use of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and cleaning, concentrating or other processing or preparation, and the loading of coal at or near the mine site. Such activities shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him, or the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the department. Surface coal mining operations shall also include the areas upon which activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface resulting from or incident to such activities. This definition includes the terms "strip mining" of coal and the "surface effects of underground mining" of coal as used in this chapter.

(2)[(1)] "Strip mining" means the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, and other solid matter from its original location; and the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use; but shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the department nor shall it include the surface effects or surface impacts of underground coal mining;

(3) "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of such operations as required by this chapter.

(4)[(2)] "Overburden" means all of the earth and other materials which lie above a natural deposit of coal and also means such earth and other material after removal from their natural state in the process of strip mining;

(5)[(3)] "Area of land affected" means the area of land from which overburden is to be or has been removed and upon which the overburden is to be or has been deposited and shall include all lands affected by the construction of new roads or the improvement or use of existing roads other than public roads, to gain access and to haul coal;

(6)[(4)] "Operations" means *surface coal mining operations,* all of the premises, facilities, roads and equipment used in the process of producing coal from a designated [strip mine] area or removing overburden for the purpose of determining the location, quality or quantity of a natural coal deposit or the activity to facilitate or accomplish the extraction or the removal of coal;

(7)[(5)] "Method of operation" means the method or manner by which the cut or open pit is made, the overburden is placed or handled, water is controlled and other acts are performed by the operator in the process of uncovering and removing the coal;

(8)[(6)] "Operator" means any person, partnership or corporation engaged in *surface coal mining and reclamation operations* [strip mining] who removes or intends to remove more than two hundred fifty (250) tons of coal from the earth by strip mining within twelve (12) successive calendar months or who removes overburden for the purpose of determining the location, quality or quantity of a natural coal deposit;

(9)[(7)] "Person" means any persons, partnership, corporation, association, society, joint stock company, firm, company or other business organization;

(10)[(8)] "Department" means the department for natural resources and environmental protection;

(11)[(9)] "Secretary" means the secretary of the department for natural resources and environmental protection;

(12)[(10)] "Reclamation" means the reconditioning of the area affected by strip mining under a plan approved by the department;

(13)[(11)] "Degree" when used in this chapter shall mean from the horizontal, and in each case shall be subject to a tolerance of five percent (5%) of error;

(14)[(12)] "Bench" means the ledge, shelf or terrace formed in the contour method of strip mining;

(15)[(13)] "Fill bench" means that portion of the bench which is formed by depositing overburden beyond the cut section.

(16)[(14)] "Approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads [(when not necessary to support its approved postmining use),] closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the department determines that they are in compliance with KRS 350.455.

Section 2. KRS 350.020 is amended to read as follows:

The general assembly finds that the Commonwealth is the leading producer of coal and that the production of coal in Kentucky contributes significantly to the nation's energy needs. The general assembly further finds that [the] unregulated *surface coal* [strip] mining *operations* [of coal] *cause* [causes] soil erosion, damage from rolling stones and overburden, landslides, stream pollution, the accumulation of stagnant water and the seepage of contaminated water, *increase* [increases] the likelihood of floods, *destroy* [destroys] the value of land for agricultural purposes, *destroy* [destroys] aesthetic values, *counteract* [counteracts] efforts for the conservation of soil, water and other natural resources, *destroy* [destroys] or *impair* [impairs] the property rights of citizens, *create* [creates] fire hazards, and in general *create* [creates] hazards dangerous to life and property, so as to constitute an imminent and inordinate peril to the welfare of the Commonwealth. The general assembly further finds that lands that have been subjected to *surface coal mining operations* [strip mining] and have not been reclaimed and rehabilitated in accordance with modern standards constitute the aforementioned perils to the welfare of the Commonwealth. The general assembly further finds that there are wide variations in the circumstances and conditions surrounding and arising out of *surface* [the strip mining of] coal *mining operations* due primarily to difference in topographical and geological conditions, and by reason thereof it is necessary, in order to provide the most effective, beneficial and equitable solution to the problem, that a broad discretion be vested in the authority designated to administer and enforce the regulatory provisions enacted by the general assembly. *The general assembly further finds that primary governmental responsibility for regulating surface coal mining operations rests with state government and hereby directs the department for natural resources and environmental protection to take all actions necessary to preserve and exercise the Commonwealth's primary authority in regulating surface coal mining operations.* Therefore, it is the purpose of this chapter to provide such regulation and control of *surface* [the strip mining of] coal *mining operations* as to minimize or prevent its injurious effects on the people and resources of the Commonwealth. To that end, the department is directed to rigidly enforce this chapter and to adopt whatever regulations are found necessary to accomplish the purpose of this chapter.

Section 3. KRS 350.028 is amended to read as follows:

The department for natural resources and environmental protection shall have and exercise the following authority and powers:

(1) To adopt rules and regulations *after a hearing* pertaining to *surface coal mining operations including* strip mining *and the surface effects of underground mining* to accomplish the purposes of this chapter;

(2) To conduct investigations and hearings under provisions of this chapter and KRS chapter 224 or regulations adopted pursuant thereto;

(3) To issue after *a show cause* hearing, suspension orders or orders requiring an operator to adopt such remedial measures as are necessary to comply with this chapter and regulations adopted pursuant thereto;

(4) To issue after a hearing, a final order *imposing civil penalties for violations of this chapter or* directing the Kentucky bureau of surface mining reclamation and enforcement to revoke a permit, when the requirements set forth by the notice of noncompliance, order of suspension, or an order of the department requiring remedial measures have not been complied with according to the terms therein; and

(5) To adopt rules and regulations to allow the state to administer and enforce the initial *and permanent regulatory programs* [regulation procedure] of Section 502 of Public Law 95-87, "surface mining control and reclamation act of 1977" provided that such rules and regulations shall be no more stringent than required by such law.

Section 4. KRS 350.055 is amended to read as follows:

(1) *An* [A prospective] applicant for a permit required by KRS 350.060 shall publish [at least once a] public notice of his *filing of* [intention to file] an application for that permit. Such publication shall be made by advertisement in a newspaper of largest bona fide circulation, according to the definition in KRS 424.110 to 424.120, in the county wherein the proposed mining site is located.

(2) *The applicant shall publish the notice of intention to mine in the newspaper identified in subsection (1) at least once a week for four consecutive weeks beginning at the time of submission of an application for a surface coal mining operation permit, pursuant to regulations promulgated by the department* [The publication shall be made not less than ten (10) nor more than thirty (30) days prior to the filing of the permit application with the department].

(3) The public notice of the intention to file an application shall be entitled "Notice of Intention to Mine" and shall be in a manner and form prescribed by the department and shall include, though not be limited to, the following:

(a) The name and address of the applicant;

(b) The location, *ownership and boundaries* of the proposed mining site;

(c) A brief description of the kind of mining activity proposed, together with a statement of the amount of acreage affected by the proposed operation.

(4) The applicant for a permit required by KRS 350.060 shall establish the date and place at which the "Notice of Intention to Mine" was published by attaching to his application a verified affidavit from the publishing newspaper containing the information required by this section.

(5) The department shall notify various local government bodies, planning agencies, and sewage and water treatment authorities and water companies in the locality of the proposed operation, and such other entities as the department may determine have an interest, notifying them of the operator's or person's intention to mine the land area as set forth in the notice of intention to mine, and identifying the permit application number assigned by the department and where a copy of the permit application may be inspected. The secretary shall promulgate regulations specifying the manner in which such agencies may comment on the application. Any comments put forward pursuant to this section shall be forwarded by the department to the applicant and shall be made available to the public at the same places as the permit application is available.

Section 5. KRS 350.060 is amended to read as follows:

(1) No *person* [operator] shall engage in *surface coal mining and reclamation operations* [strip mining] without having first obtained from the department a permit designating the area of land affected by the operation. Permits shall authorize the operator to engage in *surface coal mining and reclamation operations* [strip mining] upon the area of land described in his application for a period of not less than two (2) years notwithstanding the date of issuance. No mining shall be permitted beyond the time period obligations of the initial or extended bond coverage.[;]

(2) All operators who wish to engage in surface coal mining and reclamation operations and who have a valid permit from the department and who are in expectation of operating such mines after the expiration of eight (8) months from the approval by the secretary of the interior of the permanent regulatory program shall within two (2) months of the effective date of such approval apply for a new permit for such mines in compliance with the requirements of this section. The department for natural resources and environmental protection shall establish procedures and programs consistent with this chapter to issue or deny such

permits within eight (8) months of such approval. The general assembly finds the fact that, due to the large number of permitted operations within the Commonwealth, the eight-month period may be administratively impracticable, and hereby authorizes the secretary to devise procedures to comply with this section in the most expeditious and reasonable manner possible, and a filing shall be deemed timely for the purposes of this subsection and surface coal mining operations may continue under an existing permit if that filing is in substantially complete form and submitted within the time limits set forth herein.

(3) No permit or revision application shall be approved unless the application affirmatively demonstrates and the department finds in writing on the basis of the information set forth in the application or from information otherwise available, that the permit application is accurate and complete and that all the requirements of this chapter have been complied with.

(4)[(2)] An operator desiring a permit *to engage in surface coal mining operations* shall file an application which shall state:

(a) The location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) The owner or owners of the surface of the area of land to be affected by the permit and the owner or owners of all surface area within five hundred (500) feet of any part of the affected area;

(c) The owner or owners of the coal to be mined;

(d) The source of the applicant's legal right to mine the coal on the land affected by the permit;

(e) The permanent and temporary post-office addresses of the applicant;

(f) Whether the applicant or any person, partnership or corporation associated with the applicant holds or has held any other permits under this chapter, and an identification of such permits;

(g) Whether or not the applicant is in compliance with subsection (3) of KRS 350.130 and whether or not every officer, partner, director or any individual owning of record or beneficially (alone or with associates) if known, ten percent (10%) or more of any class of stock of the applicant, is subject to any of the provisions of subsection (3) of KRS 350.130 and he shall so certify; *and*

(h) A listing of any and all violations of this chapter, P.L. 95-87, and any law, rule or regulation in effect for the protection of air or water resources incurred by the applicant in connection with any surface coal mining and reclamation operation during the three-year period prior to the date of an application. Such a list shall indicate the final resolution of the violations.

(5)[(3)] The application for a permit shall be accompanied by five (5) copies of a United States geological survey topographic map or such other map acceptable to the department on which the operator has indicated the location of the operation, the course which would be taken by drainage from the operation to the stream or streams to which such drainage would normally flow, the name of the applicant and date, and the name of the person who located the operation on the map.[;]

(6)[(4)] The application for a permit shall be accompanied by five (5) copies of an enlarged United States geological survey topographic map or such other map acceptable to the department meeting the requirements of the subsections below. The map shall:

(a) Be prepared and certified by a professional engineer, registered under the provisions of KRS chapter 322. The certification shall be in the form as provided in subsection *(8)* [(5)] below;

(b) Identify the area to correspond with the application;

(c) Show adjacent deep mining and the boundaries of surface properties and names of owners on the affected area and within five hundred (500) feet of any part of the affected area;

(d) Be of a scale of not less than four hundred (400) feet to the inch and not to exceed six hundred and sixty (660) feet to the inch;

(e) Show the names and locations of all streams, creeks, or other bodies of public water, roads, buildings, cemeteries, oil and gas wells, and utility lines on the area of land affected and within five hundred (500) feet of such area;

(f) Show by appropriate markings the boundaries of the area of land affected, the cropline of the seam or deposit of coal to be mined, and the total number of acres involved in the area of land affected;

(g) Show the date on which the map was prepared, the north point and the quadrangle name; *and*

(h) Show the drainage plan on and away from the area of land affected. Such plan shall indicate the directional flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving the discharge.[;]

(7) Each application shall include a determination of the probable hydrologic consequences of the mining and reclamation operations, both on and off the minesite, with respect to the hydrologic regime, quantity and quality of water in surface and groundwater systems, including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the minesite and surrounding areas so that an assessment can be made by the department of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability; provided, however, that this determination shall not be required until such time as hydrologic information on the general area prior to mining is made available from an appropriate federal or state agency. Provided further,

that the permit shall not be approved until such information is available and is incorporated into the application.

(8)[(5)] *All certifications required by this chapter to be made* [The certification of the maps] by [the] professional *engineers* [engineer] shall *state that the information or documentation contained in the application is correct,* [read as follows: "I, the undersigned, hereby certify that this map is correct,] and shows to the best of *his or her* [my] knowledge and belief all the information required by the *applicable* [strip mining] laws *and regulations* of this state *is included.*["] The certification shall be signed and notarized. The department may reject any *document or* map as incomplete if its accuracy is not so attested. *The certification shall be done in the form prescribed by the department.*

(9)[(6)] The application [for a permit] shall be accompanied by a transportation plan which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. The transportation plan shall contain a certification by a duly authorized official of the department of transportation attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and the accuracy of the specifications of weight limits on such highways and bridges.[;]

(10)[(7)] In addition to the information and maps required above, each application for a permit shall be accompanied by detailed plans or proposals showing the method of operation, the manner, time and distance for backfilling, grading work and a reclamation plan for the affected area, which proposals shall meet the requirements of this chapter and rules and regulations adopted pursuant thereto.[;]

[(8) Each application shall also be accompanied by a statement of consent to have strip mining conducted upon the area of land described in the application for a permit. The statement of consent shall be signed by each holder of a freehold interest in such land. Each signature shall be notarized. No permit shall be issued if the application therefor is not accompanied by the statement of consent. This statement of consent shall not be required for coal mined under the provisions of KRS chapters 351 and 352;]

(11) The application for a permit shall be accompanied by proof that the applicant has public liability insurance coverage satisfactory to the department for the surface mining and reclamation operations for which the permit is sought. Such coverage shall be maintained in full force and effect during the terms of the permit and any renewal thereof, and until reclamation operations are completed.

(12)[(9)] A basic fee set by regulation, and bearing a reasonable relationship to the cost of processing the permit application but not to exceed two hundred fifty dollars ($250) plus a fee set by regulation but not to exceed fifty dollars ($50) for each acre or fraction thereof of the area of land to be affected by the operation, shall be paid before the permit required herein shall be issued. The operator shall file with the department a bond payable to the Commonwealth of Kentucky with surety satisfactory to the department in the penal sum to be determined by the department on the recommendation of the secretary of not less than five hundred dollars ($500) nor more than three thousand dollars ($3,000) for each acre or fraction thereof of the area of land affected, with a minimum bond of *ten thousand dollars ($10,000)* [five thousand dollars ($5,000)], conditioned upon the faithful performance of the requirements set forth in this chapter and of the rules and regulations of the department. In determining the amount of the bond within the above limits, the department shall take into consideration the character and nature of the overburden, the future suitable use of the land involved and the cost of backfilling, grading and reclamation to be required *and the probable difficulty of reclamation giving consideration to such factors as topography, geology, hydrology, and revegetation potential. The bond amount shall initially be computed to be sufficient to assure completion of reclamation if the work had to be performed by the department in the event of forfeiture. The department shall promulgate regulations setting forth bonding requirements including, but not limited to, requirements for the amount, duration, release, and forfeiture of such bonds. Where a surface coal mining operation affects two (2) acres or less and* [In a particular instance where] the circumstances are such as to warrant an exception, the department, in its discretion, may reduce the amount of the bond for a particular operation to less than the required minimum.[;]

(13)[(10)] The department shall promulgate rules and regulations setting forth operation requirements for the extraction of coal for commercial purposes where the *surface coal* [strip] mining operation affects two (2) acres or less. Such regulations shall not be more stringent than those imposed on *surface coal* [strip] mining operations affecting more than two (2) acres. All performance, procedural, and notice requirements for strip mining operations which affect two (2) acres or less shall be promulgated by regulation pursuant to this subsection, except the enforcement provisions of KRS 350.130, the penalty provisions of KRS 350.990, the permit requirements in subsection (1) of this section, and the bonding requirements set forth in subsection *(12)* [(9)] of this section.[;]

(14) The department shall promulgate rules and regulations for the permitting of operations with surface effects of underground mining and other surface coal mining and reclamation operations consistent

with this section. The department shall recognize the distinct differences between the surface effects of underground mining and strip mining, as also provided in KRS 350.151, in promulgating permitting requirements for these operations; provided, that the department shall require that the areas overlaying underground workings not affected by the operation be permitted for purposes of public liability insurance coverage but shall not be subject to the payment of acreage fees or bond requirements of subsection (12) of this section.

(15)[(11)] Any valid permit issued pursuant to this chapter shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holders of the permit may apply for renewal and such renewal shall be issued (provided that on application for renewal the burden shall be on the opponents of renewal), *subsequent to the fulfillment of* [and] the public notice requirements of this chapter [shall not apply] unless it is established and written findings by the department are made that:

(a) The terms and conditions of the existing permit are not being satisfactorily met;

(b) The present *surface* [strip] coal mining and reclamation operation is not in compliance with the environmental protection standards of this chapter;

(c) The renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;

(d) The operator has not provided evidence that the performance bond in effect for *said operation will continue in full force and effect for* any renewal requested in such application as well as any additional bond the department might require; or

(e) Any additional revised or updated information required by the department has not been provided; Prior to the approval of any renewal of permit the department shall provide notice to the appropriate public authorities.[;]

(16)[(12)] If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new [land] areas *of surface disturbance* shall be subject to the full standards applicable to new applications under this chapter.[;]

(17)[(13)] Any permit renewal shall be for a term not to exceed the period of the original permit. Application for permit renewal shall be made *at least one hundred and twenty (120)* [not later than thirty (30) working] days prior to the expiration of the valid permit.[;]

(18) Notwithstanding any of the provisions of this section, a permit shall terminate if the permittee has not commenced the surface coal mining operations covered by such permit within three (3) years of the issuance of the permit. However, the department may grant reasonable extensions of time upon a showing that such extensions are necessary by reason of litigation precluding commencement of operations, or threatening substantial economic loss to the permittee, or by reason of conditions beyond the control and without the fault or negligence of the permittee.

SECTION 6. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

The secretary of the department for natural resources and environmental protection shall promulgate regulations for the permitting and performance of coal exploration operations which substantially disturb the natural land surface. Such regulations shall be consistent with the general permitting requirements applicable to other surface coal mining and reclamation operations and shall include at a minimum provisions for publishing a notice of intention to explore and for reclamation, as required by this chapter, of all land disturbed in the exploration.

(2) Any requirements of public access to records set forth in the Kentucky Revised Statutes to the contrary notwithstanding, the secretary shall order that confidential trade secrets or privileged commercial or financial information in the possession of the department or pursuant to a coal exploration permit remain confidential.

(3) No person or operator shall remove more than two hundred and fifty (250) tons of coal pursuant to a coal exploration permit without the specific written approval of the department.

(4) All persons or operators conducting operations pursuant to this section shall be subject to the applicable provisions of KRS 350.990.

Section 7. KRS 350.070 is amended to read as follows:

(1) Revisions which request extensions of the area covered by the permit, except incidental boundary revisions shall be made by application for another permit. [The department may increase or reduce the area of land affected by an operation under a permit on application by an operator, but an increase shall not extend the period for which an original permit was issued. An operator may, at any time during the term of the permit, apply to the department for an amendment of the permit so as to increase or reduce the acreage affected by it.] The operator shall file an application, [and] map *and revised reclamation plan* in the same form and with the same content as required for an original application under this chapter and shall pay a basic fee set by regulation and bearing a reasonable relationship to the cost of processing the permit application but not to exceed two hundred and fifty dollars ($250), plus a fee set by regulation but not to exceed

fifty dollars ($50) for each acre or fraction of an acre for the increase requested, and shall file with the department a supplemental bond in the amount to be determined under the provisions of KRS 350.060 for each acre or fraction of an acre of the increase approved. If the department approves a reduction in the acreage covered by the original or supplemental permit, it shall release the bond for each acre reduced, but in no case shall the bond be reduced below *ten* [five] thousand dollars *($10,000)* [($5,000)], except as provided in subsection *(12)* [(7)] of KRS 350.060. If the department approves a reduction in acreage covered by the original or supplemental permit, it shall transfer the acreage fee for each acre reduced to acreage fees in subsequent permit applications by the operator.

(2) The department shall promulgate regulations specifying the permit application information requirements and procedures, including notice and hearing, which shall apply depending on the scale or extent of a revision; provided, that any permit revisions which propose significant alterations in the reclamation plan shall be subject to the notice and hearing requirements as set forth in the regulations of the department.

Section 8. KRS 350.085 is amended to read as follows:

(1) No application for a permit and no operation shall be approved or allowed by the department if there is found on the basis of the information set forth in the application that the requirements of this chapter or regulations will not be observed or that there is not probable cause to believe that the proposed method of operation, backfilling, grading or reclamation of the affected area can be carried out consistent with the purpose of this chapter;

(2) If the department finds that the overburden on any part of the area of land described in the application for a permit is such that experience in the commonwealth with a similar type of operation upon land with similar overburden shows that substantial deposition of sediment in stream beds, landslides or acid water pollution cannot feasibly be prevented, the department may delete such part of the land described in the application upon which such overburden exists;

(3) Subject to valid existing rights no *surface coal* [strip mining] *operations* [operation] except those which existed on or before August 4, 1977 shall be permitted [to be] within three hundred (300) feet from any occupied dwelling unless waived by the owner thereof, nor within three hundred (300) feet of any public building, school, church, community, or institutional building, public park, or within one hundred (100) feet of a cemetery. Nor shall the department issue a permit if it finds that the operation will constitute a hazard to or do physical damage to a dwelling house, public building, school, church, cemetery, commercial or institutional building, public road, stream, lake or other public property.The department shall delete such areas from the permit application or operation;

(4) *Subject to valid existing rights, no surface coal mining operations except those which existed on or before August 4, 1977, shall be permitted* [The department shall not give approval to strip mine any area which is] within one hundred (100) feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the department may permit such roads to be relocated or the area affected to lie within one hundred (100) feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interest of the public and the land owner affected thereby will be protected, and shall not approve the application for a permit where the strip mining operation will adversely affect a wild river established pursuant to KRS Chapter 146, [or] a state[, national or interstate] park *or place listed on the national register of historic places* unless adequate screening and other measures as approved by the department are incorporated into the permit application.

(5) Subject to valid existing rights no surface coal mining operations except those which existed on August 4, 1977, shall be permitted on any privately owned lands within the boundaries of units of the national park system, the national wildlife refuge system, the national system of trails, the national wilderness preservation system, the wild and scenic rivers system, including study rivers designated under section 5(a) of the wild and scenic rivers act and national recreation areas designated by act of congress.

(6) If based on the information provided pursuant to KRS 350.060(4)(h) and other relevant information, the department finds that any surface coal mining and reclamation operation owned or controlled by the applicant is currently in violation of this chapter or other requirements listed pursuant to KRS 350.060(4)(h), the department shall not issue the permit or permit renewal until the applicant submits proof satisfactory to the department that such violation has been corrected or is in the process of being corrected. It shall be grounds to deny a permit or permit renewal if the department, based on any information available to it and after a hearing, makes a finding that the applicant, or the operator specified in the application has demonstrated a pattern of willful violations pursuant to KRS 350.130(3).

Section 9. KRS 350.090 is amended to read as follows:

(1) Under the provisions of this chapter and regulations adopted by the department, an operator shall prepare and carry out a method of operation, plan of grading and backfilling and a reclamation plan for the area of land affected by his operation. In developing a method of operation, and the plans of backfilling, grading and reclamation, all measures shall be taken to eliminate damages to members of the public, their

real and personal property, public roads, streams and all other public property from soil erosion, rolling stones and overburden, water pollution and hazards dangerous to life and property. The *permit application containing the required plans and other information as required* [plan] shall be submitted to the department and, *except for applications or renewals submitted in compliance with KRS 350.060(2),* the department shall notify the applicant by certified mail, return receipt requested or by registered mail within *sixty (60)* [thirty (30) working] days after receipt of *a* [the plan and] complete application if it is or is not acceptable. *Provided, however, that in the event that applicable notice, hearing and conference procedures prevent a decision from being issued within the sixty (60) day period, the department shall have additional reasonable time to issue its decision, but not to exceed twenty (20) days from the completion of the notice, hearing and conference procedures.* If the plan is not acceptable, the department shall set forth the reasons for which the *application or plans are* [plan is] not acceptable and it may propose modifications, delete areas or reject the entire *application* [plan]. Should the applicant disagree with the decision of the department, he may, by written notice, request a hearing conducted by the department in the manner provided by KRS 224.083. The department shall notify the applicant by certified mail, return receipt requested or by registered mail within twenty (20) days after the hearing of its decision. Any person aggrieved by a final order of the department may appeal through the courts as set forth in KRS 224.085.

(2) No operator shall throw, dump, pile or permit the dumping, piling or throwing or otherwise placing any overburden, stones, rocks, coal, particles of coal, earth, soil, dirt, debris, trees, wood, logs, or any other materials or substances of any kind or nature beyond or outside of the area of land which is under permit and for which bond has been posted under KRS 350.060 or place such materials herein described in such a way that normal erosion or slides brought about by natural physical causes will permit such materials to go beyond or outside of the area of land which is under permit and for which bond has been posted under KRS 350.060.

Section 10. KRS 350.093 is amended to read as follows:

(1) Additional restoration work may be required by the department according to regulations adopted by the department;

(2) As determined by regulations of the department, time limits shall be established requiring backfilling, grading and planting to be kept current, *such that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable under regulations promulgated by the department.* All backfilling and grading shall be completed before necessary equipment is moved from the operation.

(3) If the operator or other person desires to conduct drift mining *or other underground mining* upon the premises or use the openings for haulageways or other lawful purposes, the operator may designate locations to be used for such purposes at which places it will not be necessary to backfill as herein provided for until such drift mining or other use is completed, during which time the bond on file for that portion of the operation shall not be released. That portion of such locations shall be described and designated on the map attached thereto; *Provided, that where the operator or other person wishes to combine surface operations with underground mining operations to assure maximum practical recovery of coal resources, the department may grant a variance, pursuant to regulations promulgated by the department, for specific areas within the reclamation plan from the requirement that reclamation efforts proceed pursuant to subsection (2) of this section so as to permit underground mining operations prior to reclamation.*

(4) The department may release in whole or in part the reclamation bond or deposit for a particular operation if the department is satisfied that the reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this chapter. Such bond releases shall be made in accordance with the following schedule:

(a) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of sixty percent (60%) of the bond or collateral for the applicable permit area.

(b) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the department shall retain that amount of the bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation; such amount shall be retained for the period specified for operator responsibility for reestablishing revegetation. No part of the bond or deposit shall be released under this subsection so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of requirements set by this chapter or until soil productivity for prime farm lands has returned to levels of yield equivalent to those of unmined land of the same soil type in the surrounding area under equivalent management practices as determined from such soil surveys as may be required to be included in the permit application. Where a sedimentation pond is to be retained as a permanent impoundment, the portion of bond may be released under this subsection so long as provisions for sound future maintenance by the operator or the landowner have been made with the department.

(c) When the operator has completed successfully all surface coal mining and reclamation activities, the release of the remaining portion of the bond, but not before the expiration of the period specified for operator responsibility. Provided, however, that no bond shall be fully released until all reclamation requirements of this chapter are fully met.

[(4) When the backfilling and grading have been completed and approved by the department and the soil ph level required by department regulations has been satisfied, the secretary shall release the bond which was filed for that portion of such operation in its full amount less three hundred dollars ($300) per acre, which shall be retained by the department until such time as the planting and revegetation is done according to law and approved by the department, at which time the secretary shall release the bond in the remaining amount of three hundred dollars ($300) per acre.]

(5) Upon application by a permittee for total or partial bond release, the department shall notify the municipality where the surface coal mining operation is located, pursuant to regulations promulgated by the department.

(6) Any person having a valid legal interest which might be adversely affected by release of the bond, and the responsible officer or head of any governmental agency so designated by department regulations, shall have the right to file written objections to the proposed bond release with the department, and to request a hearing in accordance with procedural regulations promulgated by the department.

Section 11. KRS 350.095 is amended to read as follows:

The operator shall assume responsibility for successful revegetation as required in KRS 350.435 for such a period as defined pursuant to regulations promulgated by the department. Such regulations shall include provisions to assure compliance with KRS 350.435, 350.095 and other applicable provisions. The department may by regulation set forth different requirements when it approves a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan. [After the operation has been backfilled, graded and approved by the department, the operator shall prepare the soil and plant vegetation upon the area of the land affected in order to provide a suitable vegetative cover. The seed or plant mixtures, quantities, method of planting, type and amount of lime or fertilizer, and any other measures necessary to provide a suitable vegetative cover shall be defined by regulations of the department.]

Section 12. KRS 350.100 is amended to read as follows:

(1) It shall be the duty of an operator to commence the reclamation of the area of land affected by his operation as *contemporaneously as practicable* [soon as possible] after the beginning of *operations on* [strip mining of] that area in accordance with plans previously approved by the department.[, and to complete such reclamation within twelve (12) months after the permit has expired except that] Such grading, backfilling and water management practices that are approved in the plans shall be kept current with the operation as defined by regulations of the department and no permit *renewal or revision* [or supplement to a permit shall] be issued, if *under the regulations* [in the discretion] of the department, these practices are not current;

(2) If an investigation indicates that planting so as to provide vegetative cover of an area of land affected by *surface coal* [strip] mining may not be successful, the department may authorize the operator to defer such planting until the soil has become suitable for such purposes and a yearly report shall be filed with the department indicating the soil conditions until a successful planting or seeding has been completed. It may authorize the operator, with the approval of the department, to do planting to provide vegetative cover for a different area of land in lieu of that covered by his permit. Such different area of land must be land affected by strip mining in the past which has soil that has become suitable for planting, of not less acreage than the land covered by the permit. An application by the operator for authority to plant a different area of land shall identify the different area and shall be accompanied by a map showing its location, area and boundaries. The application shall be accompanied by the written consent of the owner of the land covered by the permit to release the operator from his obligation to provide a vegetative cover for the land covered by the permit. If the division grants the application for the planting of a different area of land and the planting is carried out in accordance with its orders, the operator shall be relieved of his obligation to provide a vegetative cover for the area of land affected by his operation for which a different area of land has been substituted.

Section 13. KRS 350.110 is amended to read as follows:

If the department authorizes an operator to defer planting to provide vegetative cover for an area of land, it shall set the time within which such planting shall be carried out. If the operator has carried out on that area of land the method of operation, *drainage control*, backfilling, grading and reclamation plans approved by the department other than the planting, the department shall issue to the operator and to his surety a release of his surety bond or other securities held on deposit for each acre of land for which such method of operation, backfilling, grading, and reclamation have been carried out, *as provided in the schedule for bond release set forth in KRS 350.093* [and the soil ph level required by department regulations has been satisfied, less the sum of three hundred dollars ($300) for each acre, but in no case shall the bond be reduced below two thousand dollars ($2,000) except as provided in KRS 350.060]. The remaining amount of the bond [of three hundred dollars ($300)] for each acre of land affected shall remain in the possession of the department until a satisfactory *reclamation* [planting] plan has been carried out, or until it has been forfeited by the operator. If the remainder is forfeited, it shall be expended by the department in a planting program for the area of land for which it has been posted; unless the surface rights have been severed from the mineral rights, in which case the remainder of the forfeited bond shall be paid to the surface owner for expenditure in a planting program for the area of land for which the bond has been posted; provided, that no payment shall be made until the planting has been accomplished in the manner required by the department, to the extent of available forfeited funds, and no payment shall be made beyond the actual cost of planting. Provided further, that this section shall not apply in cases where the owner does not desire or is unable to accomplish the work in the manner required by the department. If the operator does not meet the planting requirements but does not want his bond forfeited, he may pay to the department a sufficient sum to cover the remaining reclamation costs and the bond filed by him as surety may then be released by the department.

Section 14. KRS 350.130 is amended to read as follows:

(1) *When any of* [If] any of the requirements of this chapter or rules or regulations adopted pursuant thereto or the orders of the department have not been complied with [within the time limits set by the department or by this chapter], the department shall *forthwith* cause a notice of noncompliance to be *issued* [served] upon the operator.[, or] *The department shall set forth in its notice a reasonable time period but not more than ninety (90) days for the abatement of the violation. If any person or operator has not abated the violation within the time prescribed in the notice of noncompliance, the secretary or other authorized personnel of the department shall issue to said operator or person an order for immediate compliance and cessation of any mining activities or operations which are contributing to the violation. Such order shall require the person or operator to abate the violation in the most expeditious manner possible. The secretary is authorized to promulgate reasonable regulations for the implementation of this section.* Where found necessary, the secretary shall after hearing (except as provided in KRS 224.071) order the suspension of a permit or operation. Such notice or order shall be handed to the person in charge of the operation, and the operator in person or *sent* [served] by certified mail, return receipt requested or by registered mail addressed to the permanent address shown on the application for a permit or if no address is shown on the application, then to the address known to the department. The notice of noncompliance or order of suspension shall specify in what respects the operator has failed to comply with this chapter or the regulations or orders of the department. If the operator has not reached an agreement with the department or has not complied with the requirements set forth in the notice of noncompliance or order of suspension within time limits set therein, the permit may be revoked or the operation terminated, after hearing, by order of the department and the performance bond, if any, shall then be forfeited to the department, except as provided in subsection (2) of this section and in KRS 350.110.

(2) When a bond is forfeited pursuant to the provisions of this chapter, the secretary shall give notice to the attorney general, who shall collect the forfeiture. Bond forfeitures collected in cases where the surface rights have been severed from the mineral rights shall be paid to the surface owner for the purpose of reclaiming in accordance with the provisions of this chapter the same area of land included under the bond; provided, that no payment shall be made until the reclamation has been accomplished in the manner required by the department, to the extent of available forfeited funds, and no payment shall be made beyond the actual cost of reclamation. Provided further, that this section shall not apply in cases where the owner *cannot be located, or* does not desire or is unable to accomplish the work in the manner required by the department.

(3) An operator or person whose mining permit or operation has been revoked, suspended, or terminated *or is at the time of the application in violation of this chapter or other applicable requirements as set forth in KRS 350.085* shall not be eligible to receive another permit or begin another operation or to have suspended permits or operations reinstated until he shall have complied with all the requirements of this chapter in respect to all permits issued him, provided, further, that no operator or person shall be eligible to receive another permit or begin another operation who has forfeited any bond unless the land for which the bond was forfeited has been reclaimed without cost to the state or the operator or person has paid such sum as the department finds is adequate to reclaim such lands. The department shall not issue any additional permits to or allow future operations by any operator or person who has *demonstrated a pattern of willful violations of this chapter of such nature and duration with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions* [repeatedly been in noncompliance or violation] of this chapter, or who has permits revoked or operations terminated on more than three (3) occasions. *The secretary shall promulgate regulations which implement this section. For the purposes of this section, if a corporate permittee has demonstrated a pattern of willful violations, then any subsequent application for a permit by that corporation, or any person who controls or has controlled that corporation, shall be denied.*

(4) Whenever the secretary, pursuant to the general authority vested in him by KRS 224.071, exercises such authority to order the discontinuance, abatement, alleviation, or cessation of conditions or operations which present a danger to the health or welfare of the people or which result in or are likely to result

in damage to natural resources or the environment in exercise of the secretary's enforcement powers and authority under this chapter, the secretary, or an authorized representative of the department, after inspection shall immediately order the cessation of such condition or operation when he determines that the condition or operation creates an imminent danger to the health or safety of the public or that the condition or operation is causing or can reasonably be expected to cause significant imminent environmental harm in violation of this chapter or the regulations pursuant to this chapter, or any permit condition. For purposes of this subsection, "imminent danger to the health and safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose himself or herself to the danger during the time necessary for abatement.

Section 15. KRS 350.135 is amended to read as follows:

(1) *No permit issued pursuant to this chapter shall be transferred by sale, assignment, lease, or otherwise except upon the written approval of the department.* [Where one operator succeeds another at any uncompleted operation, either by sale, assignment, lease or otherwise,] The department may release the first operator from all liability under this chapter as to that particular operation: Provided, however, That the successor operator has been issued a permit and has otherwise complied with the requirements of this chapter, and the successor operator assumes as part of his obligation under this chapter, all liability for the reclamation of the area of land affected by the former operator.

(2) *If the department has given its written approval to the transfer, a* successor in interest to a permittee who applies for a new permit within thirty (30) days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue *surface coal* [strip] mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(3) The department may promulgate reasonable regulations and administrative procedures to implement this section.

Section 16. KRS 350.150 is amended to read as follows:

(1) In the reclamation of land affected by *surface coal* [strip] mining *operations* for which it has funds available, the department may avail itself of any services which may be provided by other state agencies or by agencies of the federal government, and may compensate them for such services. The department may also receive any federal funds, state funds or any other funds for the reclamation of land affected by *surface coal* [strip] mining *operations*. The department may cause the reclamation work to be done by its own employes or by employes of other governmental agencies, soil conservation districts, or through contracts with qualified persons. Such contracts shall be awarded to the lowest responsible bidder upon competitive bids after reasonable advertisement. The department and any other agency and any contractor under a contract with the department shall have the right of access to the land affected to carry out such reclamation.

(2) Any funds available to the department and any public works program (both funds and services) may be used and expended to reclaim and rehabilitate any lands that have been subjected to *surface coal* [strip] mining *operations* that have not been reclaimed and rehabilitated in accordance with standards set by this chapter or regulations thereunder and which are not covered by bond to guarantee such reclamation.

(3) A person or organization, having qualifications acceptable to the department, may post bond or a cash deposit, in a sum determined by the department, and assume the liability for carrying out the reclamation plan approved by the department in areas where the mining operation and any necessary grading and backfilling have been completed. The department shall then release the bond posted by the operator for such area.

Section 17. KRS 350.151 is amended to read as follows:

(1) The department for natural resources and environmental protection shall promulgate *permanent program* rules and regulations for the *mining and* reclamation of land disturbed or removed by operations resulting from or incident to a mine as defined in KRS 352.010(1)(t). Such regulations shall recognize the distinct differences between the surface effects of underground mining and strip mining, and shall be promulgated pursuant to this *chapter* [section only], and shall be enforced as provided in KRS 350.130 and 350.990. Those activities may include, but not be limited to, the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and all lands affected by haulage, excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface but said regulations shall not be more stringent than those applied to strip mining.

(2) The operator shall file with the department a bond payable to the Commonwealth of Kentucky with surety satisfactory to the department in the penal sum to be determined by the department on the recommendation of the secretary of not less than five hundred dollars ($500) nor more than three thousand dollars

($3,000) for each acre or fraction thereof of the area of land affected, with a minimum bond of *ten thousand dollars ($10,000)* [five thousand dollars ($5,000)] conditioned upon the faithful performance of the requirements set forth in this section and of the rules and regulations of the department. The department shall accept, in lieu of the surety provided herein, the deposit by the operator of United States government securities, cash, or its equivalent in a sum equal to the principal amount of the required bond, *or a self bond pursuant to regulations promulgated by the department.*

(3) In order to protect the stability of the land, the department shall suspend underground mining activities under urbanized areas, and adjacent to industrial or commercial buildings, major impoundments, or permanent streams, if the department finds imminent danger to inhabitants of said urbanized areas.

SECTION 18. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created within the Commonwealth of Kentucky an abandoned mine lands program, to be administered within the department for natural resources and environmental protection. The secretary of the department for natural resources and environmental protection is authorized to promulgate regulations necessary to implement this program. The provisions of KRS 350.150, 350.152, 350.154, 350.156(1) and (2), 350.158, 350.161, and 350.163 shall not be applicable to this program.

(2) The department of finance is hereby directed to establish a fund to be known as the abandoned mine reclamation fund (hereinafter referred to as the "fund").

(3) The fund shall consist of amounts deposited in the fund from time to time, including but not limited to:

(a) The reclamation fees levied pursuant to Section 402 of P.L. 95-87 and allocated to the Commonwealth of Kentucky;

(b) Any income derived from or any user charge imposed on or for land reclaimed pursuant to the abandoned mine lands program after the expenses of the program have been deducted;

(c) Donations by persons, corporations, associations, governmental entities and foundations for the purposes of the abandoned mine lands program; and

(d) All other monies as provided for consistent with this chapter.

(4) Monies in the fund may be used for the following purposes:

(a) Reclamation and restoration of land and water resources adversely affected by past coal mining, including but not limited to reclamation and restoration of abandoned surface mine areas, abandoned coal processing areas, and abandoned coal refuse disposal areas; sealing and filling of abandoned deep mine entries and voids; planting of land adversely affected by past coal mining to prevent erosion and sedimentation; prevention, abatement, treatment, and control of water pollution created by coal mine drainage, including restoration of stream beds, and construction and operation of water treatment plants; prevention, abatement, and control of burning coal refuse disposal areas and burning coal in situ; and prevention, abatement, and control of coal mine subsidence;

(b) Acquisition and filling of voids and sealing of tunnels, shafts, and entryways;

(c) Acquisition of land as provided for in this Act;

(d) Studies by state agencies, by contract with public and private organizations to provide information, advice, and technical assistance, including research and demonstration projects, conducted for the purposes of this program;

(e) Restoration, reclamation, abatement, control, or prevention of adverse effects of coal mining which constitute an emergency as provided for in this program;

(f) Administrative expenses of the program to accomplish the purposes of this program; and

(g) All other necessary expenses to accomplish the purposes of this program.

SECTION 19. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

Expenditure of monies from the fund on lands and water eligible pursuant to Section 21 for the purposes of the abandoned mine lands program shall reflect the following priorities in the order stated:

(1) The protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices;

(2) The protection of public health, safety, and general welfare from adverse effects of coal mining practices;

(3) The restoration of land and water resources and the environment previously degraded by adverse effects of coal mining practices, including measures for the conservation and development of soil, water (excluding channelization), and woodland resources, fish and wildlife, recreation resources, and economic productivity;

(4) Research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques;

(5) The protection, repair, replacement, construction, or enhancement of public facilities such as utilities, roads, and recreation and conservation facilities adversely affected by coal mining practices; and

(6) The development of publicly owned land adversely affected by coal mining practices, including land acquired for reclamation as provided in the abandoned mine lands program for recreation and historic purposes, conservation, and open space benefits.

SECTION 20. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

Lands and water eligible for reclamation or drainage abatement expenditures under the abandoned mine lands program are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and were abandoned or left in an inadequate reclamation status prior to August 3, 1977, and for which there is no continuing reclamation responsibility under the provisions of this chapter.

SECTION 21. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

The department for natural resources and environmental protection shall have the authority to prepare and submit to the secretary, United State department of the interior, reclamation plans, annual projects, applications for federal support, and any other reports or plans which are provided for or required pursuant to title IV of the surface mining control and reclamation act of 1977 (P.L. 95-87).

SECTION 22. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) If the department makes a finding of fact pursuant to the abandoned mine lands program that:

(a) Land or water resources have been adversely affected by past coal mining practices; and

(b) The adverse effects are at a stage where, in the public interest, action to restore, reclaim, abate, control, or prevent should be taken; and

(c) The owners of the land or water resources where entry must be made to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices are not known or readily available; or

(d) The owners will not give permission for the United States, the Commonwealth, political subdivisions, or their agents, employes, or contractors to enter upon such property to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices; then, upon giving notice by mail to the owners if known, or if not known, by posting notice upon the premises and advertising once in a newspaper of general circulation in the municipality or county in which the land lies, the department and its authorized representatives, agents, and contractors shall have the right to enter upon the property adversley affected by past coal mining practices, and any other property to have access to such property to do all things necessary or expedient to restore, reclaim, abate, control, or prevent the adverse effects. Such entry shall be construed as an exercise of the police power for the protection of public health, safety, and general welfare and shall not be construed as an act of condemnation of property nor of trespass thereon. The monies expended for such work and the benefits accruing to any such premises so entered upon shall be chargeable against such land and shall mitigate or offset any claim in or any action brought by any owner of any interest in such premises for any alleged damages by virtue of such entry: provided, however, that this provision is not intended to create new rights of action or eliminate existing immunities.

(2) The department and its authorized representatives, agents, and contractors shall have the right to enter upon any property for the purpose of conducting studies or exploratory work to determine the existence of adverse effects of past coal mining practices and to determine the feasibility of restoration, reclamation, abatement, control, or prevention of such adverse effects. Such entry shall be construed as an exercise of the police power for the protection of public health, safety, and general welfare, and shall not be construed as an act of condemnation of property nor trespass thereon.

(3) The Commonwealth shall have the power to acquire, by purchase, donation, devise, or condemnation, any land which is adversely affected by past coal mining practices if acquisition of such land is necessary for successful reclamation and that:

(a) The acquired land, after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices, will serve recreation and historic purposes, conservation and reclamation purposes or provide open space benefits; or

(b) Permanent facilities such as a treatment plant or a relocated stream channel will be constructed on the land for the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices; or

(c) Acquisition of coal refuse disposal sites and all coal refuse thereon will serve the purposes of this Act or that public ownership is desirable to meet emergency situations and prevent recurrences of the adverse effects of past coal mining practices.

(4) Title to all lands acquired pursuant to this section shall be in the name of the Commonwealth. The price paid for the land acquired under this section shall reflect the market value of the land as adversely affected by past coal mining practices. The Commonwealth may exercise the power of eminent domain against such land by filing a condemnation suit under the procedure of the eminent domain act of Kentucky. Provided, that when the Commonwealth acquires land adversely affected by past coal mining practices pursuant to the abandoned mine lands program and when such abandoned mine reclamation fund monies are

less than the purchase price, the Commonwealth shall be authorized to use whatever funds are available pursuant to KRS 350.156(3).

(5) The department for natural resources and environmental protection may receive any federal, state, or other funds for the purpose of reclaiming lands affected by past coal mining practices, including federal funds made available to it pursuant to title IV of the surface mining control and reclamation act of 1977 (P.L. 95-87). The department may avail itself of any services which may be provided by other state agencies or the federal government, and may compensate them for such services.

(6) The department shall have the power to backfill, grade, revegetate, and perform other acts of restoration and reclamation on lands acquired pursuant to this section. The department may cause the reclamation work to be done by its own employes or by employes of other governmental agencies or soil conservation districts, or through contracts with qualified persons. Such contracts shall be awarded pursuant to regulation promulgated by the department. The department and any other agency and any contractor under a contract with the department shall have the right of access to the land affected to carry out such reclamation.

(7) Where land acquired pursuant to this section is deemed to be suitable for industrial, commercial, residential, or recreational development, the Commonwealth shall have the power to sell such land by public sale under a system of competitive bidding, at not less than fair market value and under such regulations as may be promulgated to insure that such lands are put to proper use consistent with local and state land use plans, if any. The proceeds of any such sale shall be credited to the abandoned mine reclamation fund. The department, when requested after appropriate public notice, shall hold a public hearing, with the appropriate notice, in the county or counties in which lands acquired pursuant to this section are located. The hearings shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use or disposition of the lands after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices.

(8) In addition to the authority to acquire and reclaim land for the purposes set forth in subsection (3) of this section, the Commonwealth is given authority to use money in the fund to acquire land by purchase, donation, devise, or condemnation and to reclaim such land and to transfer it to any political subdivision of the Commonwealth or to any person, firm, association, or corporation, if such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons disabled as the result of employment in the mines or work incidental thereto, persons displaced by acquisition of land pursuant to this section, persons dislocated as the result of adverse effects of coal mining practices which constitute an emergency as provided in Section 25 of this Act, or persons dislocated as the result of natural disasters or catastrophic failures from any cause, or any related commercial, industrial, agricultural, recreational, or governmental use facilities. Such activities shall be accomplished under such terms and conditions as the Commonwealth shall require, which may include transfers of land with or without monetary consideration. Provided, that to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such persons, firm, association, or corporation. No part of the funds provided under the abandoned mine reclamation fund may be used to pay the actual construction costs of housing.

(9) All acquisitions and disposals of land or any interests therein pursuant to the authority granted by this section shall be governed by the applicable provisions of KRS Chapters 45 and 56.

SECTION 23. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) Within six (6) months after the completion of projects to restore, reclaim, abate, control, or prevent adverse effects of past coal mining practices on privately owned land, the department shall itemize the monies so expended and may file a statement thereof in the office of the county in which the land lies which has the responsibility under local law for the recording of judgments against land, together with a notarized appraisal by an independent appraiser of the value of the land before the restoration, reclamation, abatement, control, or prevention of adverse effects of past coal mining practices if the monies so expended shall result in a significant increase in property value. Such statement shall constitute a lien upon the said land. The lien shall not exceed the amount determined by the appraisal to be the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices. No lien shall be filed against the property of any person, in accordance with this section, who owned the surface prior to May 2, 1977, and who neither consented to nor participated in nor exercised control over the mining operation which necessitated the reclamation performed hereunder. The department may waive the lien consistent with its regulations.

(2) The landowner may proceed as provided by local law to petition within sixty (60) days of the filing of the lien, to determine the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices. The amount reported to be the increase in value of the premises shall constitute the amount of the lien and shall be recorded with the statement herein provided. Any party aggrieved by the decision may appeal as provided by local law.

(3) The lien provided in this section shall be entered in the county office in which the land lies and which has responsibility under local law for the recording of judgments against land. Such statement shall constitute a lien upon the said land as of the date of the expenditure of the monies and shall have priority as a lien second only to the lien of real estate taxes imposed upon said land.

SECTION 24. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The department is authorized to fill voids, seal abandoned tunnels, shafts, and entryways, and reclaim surface impacts of underground or surface mines which the secretary determines could endanger life and property, constitute a hazard to the public health and safety, or degrade the environment, with such monies as may become available under the abandoned mine reclamation fund.

(2) The Commonwealth may acquire by purchase, donation, devise, easement, or otherwise such interest in land as necessary to carry out the provisions of this section and may dispose of acquired land in a manner consistent with the purposes of the abandoned mine lands program.

SECTION 25. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The department is authorized to expend monies from the fund for the emergency restoration, reclamation, abatement, control, or prevention of adverse effects of coal mining practices, on eligible lands, if the department makes finding of fact that:

(a) An emergency exists constituting a danger to the public health, safety, or general welfare; and

(b) No other person or agency will act expeditiously to restore, reclaim, abate, control, or prevent the adverse effects of coal mining practices.

(2) The department, its agents, employes, and contractors shall have the right to enter upon any land where the emergency exists and any other land to have access to the land where the emergency exists to restore, reclaim, abate, control, or prevent the the adverse effects of coal mining practices and to do all things necessary or expedient to protect the public health, safety, or general welfare. Such entry shall be construed as an exercise of the police power and shall not be construed an an act of condemnation of property nor of trespass thereof. The monies expended for such work and the benefits accruing to any such premises so entered upon shall be chargeable against such land and shall mitigate or offset any claim in or any action brought by any owner of any interest in such premises for any alleged damages by virtue of such entry. Provided, however, that this provision is not intended to create new rights of action or eliminate existing immunities.

SECTION 26. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The department shall have the power and authority, if not granted it otherwise, to engage in any work and to do all things necessary or expedient, including promulgation of rules and regulations, to implement and administer the provisions of the abandoned mine lands program.

(2) The department shall have the power and authority to engage in cooperative projects under the program with any agency of the United States, any state and their governmental agencies.

(3) The department may initiate, in addition to any other remedies provided for in this chapter, in any court of competent jurisdiction, an action in equity for an injunction to restrain any interference with the exercise of the right to enter or to conduct any work provided in the abandoned mine lands program.

(4) The department shall have the power and authority to construct and operate facilities for the control and treatment of water pollution resulting from mine drainage. The extent of this control and treatment may be dependent upon the ultimate use of the water: provided, that the above provisions of this subsection shall not be deemed in any way to repeal or supersede any portion of the federal water pollution control act (33 U.S.C.A. 1151, et seq. as amended) and no control or treatment under this subsection shall in any way be less than that required under the federal water pollution control act. The construction of facilities may include major interceptors and other facilities appurtenant thereto.

(5) The department may transfer funds to other appropriate state agencies, in order to carry out the reclamation activities authorized by the abandoned mine lands program.

Section 27. KRS 350.156 is amended to read as follows:

(1) After restoration of the acquired land, the department of environmental protection may, with the approval of the governor, transfer jurisdiction of such land, or any portion thereof, to any state agency that can best utilize such land for public purposes.

(2) If the retention of such land is determined to be impractical, the department of environmental protection, may, with the approval of the governor, sell such land to political subdivisions of the commonwealth at the cost of acquisition and restoration or public sale to the highest bidder. Such land shall be sold subject to the condition that no strip mining shall be carried on thereon at any time thereafter. The proceeds of any such sale shall be credited to a revolving fund within the department.

(3) Whenever the department expends funds pursuant to this section in order to satisfy the total purchase price for lands purchased pursuant to Section 22 of this Act, the department shall not be required

to return to the revolving fund any monies so used upon resale or other transfer of such land. Resale or other transfer of lands purchased with combined state and federal monies shall be pursuant to Section 22 of this Act.

Section 28. KRS 350.200 is amended to read as follows:

All *surface coal mining operations* [strip mines] operating under a permit from the division shall display appropriate *perimeter and identification* signs *as required by regulations of the department* [at the points of access to each operation adjacent to the nearest public highway. These signs shall be at least two (2) feet by four (4) feet, constructed of a wooden or other durable material, and clearly identify the name of the operator and number of his strip mining permit]. Such signs shall be maintained during the life of the operation. [Failure to post such sign shall be grounds for the revocation of the permit.]

Section 29. KRS 350.250 is amended to read as follows:

Any citizen of this Commonwealth having knowledge that any of the provisions of this chapter or regulations adopted thereunder are [wilfully and deliberately] not being enforced by any public officer or employe, whose duty it is to enforce such provisions of this chapter and regulations thereunder, may bring such failure to enforce the law to the attention of such public officer or employe. To provide against unreasonable and irresponsible demands being made, all such demands to enforce the law must be in writing, under oath, with facts set forth specifically stating the nature of the failure to enforce the law. [Any person who wilfully and knowingly states false facts and charges in such affidavit shall be subject to penalties provided under the law for perjury.] If such public officer or employe neglects or refuses for any unreasonable time *but in no event longer than sixty (60) days* after demand to enforce such provision, any such citizen shall have the right to bring an action of mandamus in the circuit court of the county in which the operation which relates to the alleged lack of enforcement is being conducted; *Provided, that any action pursuant to this section may be brought immediately after a demand for enforcement when the violation or order complained of constitutes an imminent threat to the health or safety of the complaining citizen or would immediately affect a legal interest of the complaining citizen.* The court, if satisfied that any provision of this chapter or regulation thereunder is not being enforced, shall make an appropriate order compelling the public officer or employe, whose duty it is to enforce such provision, to perform his duties, and upon failure to do so such public officer or employe shall be held in contempt of court and shall be subject to the penalties provided by the laws of the Commonwealth in such cases.

(2) The court having jurisdiction of a complaint made pursuant to subsection (1) of this section may in its final order award costs of litigation (including attorney and expert witness fees) to any party, whenever the court determines such an award is appropriate.

(3) Any person who is injured in his person or property through the violation by any operator of any rule, regulation, order or permit issued pursuant to this chapter may bring a civil action (including reasonable attorney and expert witness fees) in the circuit court of the county in which the surface coal mining operation complained of is located.

Section 30. KRS 350.410 is amended to read as follows:

Except as provided in KRS 350.450(2)(a) to (e), the operator shall with respect to all *surface coal* [strip] mining operations backfill compact, (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this chapter); provided, however, that in *surface coal* [strip] mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region; and, provided further, that in *surface coal* [strip] mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and shall be revegetated in accordance with the requirements of this chapter.

Section 31. KRS 350.420 is amended to read as follows:

The operator shall minimize disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after *surface coal* [strip] mining operations and during reclamation by:

(1) Avoiding acid or other toxic mine drainage by such measures as, but not limited to:

(a) Preventing or removing water from contact with toxic producing deposits;

(b) Treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses; and

(c) Casing, sealing, or otherwise managing boreholes, shafts, and wells and keeping acid or other toxic drainage from entering ground and surface waters;

(2) Conducting *surface coal* [strip] mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow, or runoff outside the permit area, but in no event shall contributions be in excess of requirements set by applicable state or federal law;

(3) Constructing any siltation structures pursuant to subsection (2) of this section prior to commencement of *surface coal* [strip] mining operations, such structures to be certified by a qualified registered engineer to be constructed as designed and as approved in the reclamation plan;

(4) Cleaning out and removing temporary or large settling ponds or other siltation structures from drainways after disturbed areas are revegetated and stabilized, and depositing the silt and debris at a site and in a manner approved by the department;

(5) Restoring recharge capacity of the mined area to approximate premining conditions;

(6) Avoiding channel deepening or enlargement in operations requiring the discharge of water from mines; and

(7) Such other actions as the department may prescribe.

Section 32. KRS 350.440 is amended to read as follows:

The operator shall place all excess spoil material resulting from *surface coal* [strip] mining and reclamation *operations* [activities] pursuant to *this chapter* [KRS 350.445(2)] in the following manner:

(1) Spoil is transported and placed in a controlled manner in position for concurrent compaction and in such a way as to assure mass stability and to prevent mass movement;

(2) The areas of disposal are within the bonded permit areas and all organic matter shall be removed immediately prior to spoil placement;

(3) Appropriate surface and internal drainage systems and diversion ditches are used so as to prevent spoil erosion and movement;

(4) The disposal area does not contain springs, natural water courses, or wet-weather seeps unless lateral drains are constructed from the wet area to the main underdrains in such a manner that filtration of the water into the spoil pile will be prevented;

(5) If placed on a slope, the spoil is placed upon the most moderate slope among those upon which, in the judgment of the department, the spoil could be placed in compliance with all the requirements of this chapter and shall be placed, where possible, upon, or above, a natural terrace, bench, or berm, if such placement provides additional stability and prevents mass movement;

(6) Where the toe of the spoil rests on a downslope, a rock toe buttress of sufficient size to prevent mass movement is constructed;

(7) The final configuration is compatible with the natural drainage pattern and surroundings and suitable for intended uses;

(8) Design of the spoil disposal area is certified by a qualified registered professional engineer in conformance with professional standards; and

(9) All other provisions of this chapter are met.

Section 33. KRS 350.450 is amended to read as follows:

(1) If the area proposed to be mined contains prime farmland as defined in Public Law 95-87, "surface mining control and reclamation act of 1977," then no permit shall be issued unless it complies with Section 510(d)(1) therein. Nothing in this subsection shall apply to any permit issued prior to August 3, 1977, or to any revisions or renewals thereof, or to any existing *surface coal* [strip] mining operations for which a permit was issued prior to August 3, 1977. Nothing herein shall be construed as authorizing the department to promulgate regulations more stringent than those promulgated pursuant to PL 95-87 relating to prime farmland.

(2) Where a strip mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, the operation shall comply with the requirements of subsections (2)(c) and (d) of this section without regard to the requirements of KRS 350.410 or 350.445(2) and (3) with respect to lands from which overburden and the coal seam being mined have not been removed; provided, however, the department shall establish internal procedures pursuant to which it shall permit strip mining operations for the purposes set forth in subsection (2)(b) of this section.

(a) Where an applicant meets the requirements of subsections (2)(b) and (c) of this section a permit without regard to the requirements to restore to approximate original contour set forth in KRS 350.410 or 350.445(2) and (3) may be granted for the *surface coal* [strip] mining *operations* [of coal] where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill, except as provided in subsection *(c)(1)* [(3)(d)] of this section, by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining and capable of supporting postmining uses in accord with the requirements of this subsection.

(b) In cases where an industrial, commercial, agricultural, residential, or public facility *(*[,]including recreational facilities*)*[,] use is proposed for the postmining use of the affected land, the department may grant a permit for a *surface coal* [strip] mining operation of the nature described in subsection (2)(a) of this section where:

1. After consultation with the appropriate land use planning agencies, if any, the proposed postmining land use is deemed by the department to constitute an equal or better economic or public use of the affected land as compared with premining use;

2. The applicant presents specific plans for the proposed postmining land use and appropriate assurances that the land use will be:

a. Compatible with adjacent land uses;
b. Obtainable according to data regarding expected need and market;
c. Assured of investment in necessary public facilities;
d. Supported by commitments from public agencies where appropriate;
e. Practicable with respect to private financial capability for completion of the proposed use;
f. Planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and
g. Designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

3. The proposed use would be consistent with adjacent land uses and existing state and local land use plans; and

4. The department provides the governing body of the unit of general-purpose government in which the land is located, and any state or federal agency which the department in its discretion determines to have an interest in the proposed use, an opportunity of not more than thirty (30) days to review and comment on the proposed use; and

5. All other requirements of this chapter will be met.

(c) In granting any permit pursuant to this subsection the following requirements apply:

1. The toe of the lowest coal seam and the overburden associated with it are retained in place as a barrier to slides and erosion;

2. The reclaimed area is stable;

3. The resulting plateau or rolling contour drains inward from the outslopes except at specified points;

4. No damage will be done to natural watercourses;

5. Spoil will be placed on the mountaintop bench as is necessary to achieve the planned postmining land use; provided, that all excess spoil material not retained on the mountaintop shall be placed in accordance with the provisions of KRS 350.440; and

6. Insure stability of the spoil retained on the mountaintop and meet the other requirements of this chapter.

(d) The *regulatory authority shall promulgate specific regulations to govern the granting of permits in accord with the provisions of this subsection* [requirements of all regulations promulgated under this subsection are met].

(e) All permits granted under the provisions of this subsection shall be reviewed not more than three (3) years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(3) (a) The department shall adopt procedures pursuant to which it may permit variances *from the requirements of KRS 350.410* for the purposes set forth in subsection (3)(c) of this section, provided that the watershed control of the area is improved, and further provided, complete backfilling with spoil material shall be required to cover completely the highwall, which material will maintain stability following mining and reclamation.

(b) Where an applicant meets the requirements of subsection (3)(c) of this section, a variance from the requirement to restore the approximate original contour set forth in KRS *350.410 and* 350.445(2) may be granted for *surface coal mining operations* [the strip mining of coal] where the owner of the surface knowingly requests in writing, as a part of the permit application, that such a variance be granted so as to render the land, after reclamation, suitable for an industrial, commercial, residential, or public use, including recreational facilities[, in accord with the further provisions of subsections (3)(c) and (d) of this section].

(c) After consultation with the appropriate land use planning agencies, if any, the potential use of the affected land shall:

1. Be deemed by the department to constitute an equal or better economic or public use;

2. Be designed and certified by a qualified registered professional engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site; and

3. The watershed of the affected land be deemed by the department to be improved.

(d) In granting a variance pursuant to subsection (3)*(b)* of this section, the department shall require that only such amount of spoil will be placed off the mine bench as is necessary to achieve the planned postmining land use, insure stability of the spoil retained on the bench, meet all other requirements of this chapter, and require all spoil placement off the mine bench to comply with KRS 350.440.

(e) The department shall promulgate specific regulations as it deems necessary, if any, to govern the granting of variances in accord with the provisions of this subsection and may impose such additional requirements as it deems to be necessary.

(f) All exceptions granted under the provisions of this subsection shall be reviewed not more than three (3) years from the date of issuance of the permit, unless the permittee affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the reclamation plan.

(4) Strip and underground coal mining operations in operation pursuant to a permit issued before August 4, 1977, issued to a person as defined in KRS 350.010(7) in existence prior to May 2, 1977, and operated by a person whose total annual production of coal from surface [and underground] coal mining operations does not exceed one hundred thousand (100,000) tons shall not be subject to the provisions set forth in KRS 350.400 and subsection (2) of this section, except with reference to the provision of KRS 350.445(1), until January 1, 1979. The department shall certify qualified applicants pursuant to this subsection.

(5) The department shall adopt programs, regulations, and procedures designed to provide technical assistance to assist the small coal operator with the permitting and environmental protection performance standards for *surface* [strip and underground] coal mining operations within the Commonwealth. Such programs shall be directed towards eliminating delays in the processing of permits by establishing a special administrative program to review small operator's permit applications and by establishing a procedure for providing the small operator access to special technical services necessary for completing the permit application. For the purposes of this subsection, a small coal operator is one who is anticipated to mine less than 200,000 tons per year, and the department in determining tonnage for qualification shall consider all production from common ownership of other corporations or operations. Upon written notification by the small coal operator to the department stating that no more mining will take place under a permit, the department shall release a portion of the bond in accordance with KRS 350.070. In making its determinations pursuant to KRS 350.070 the department shall:

(a) Determine the percentage of the permitted acreage in the area of reduction in relation to the initial acreage of the permit;

(b) Examine the land which has been disturbed and estimate the cost of reclamation;

(c) When the estimated cost of reclamation does not exceed *ten* [five] thousand dollars *($10,000)* [($5,000)] then the department shall return all bond money in excess of the *ten* [five] thousand dollars *($10,000)* [($5,000)];

(d) When the estimated cost of reclamation exceeds *ten* [five] thousand dollars *($10,000)* [($5,000)] the department shall retain the amount estimated and shall return all bond money in excess of the estimated amount but in no case shall the department return more than the amount determined by multiplying the percentage determined under paragraph (a) of this subsection times the original total bond amount.

Section 34. KRS 350.465 is amended to read as follows:

(1) The provisions of this section and regulations promulgated pursuant thereto (except with regard to the mining of clay, limestone, sand, gravel, fluorspar, stone, and rock asphalt) shall apply to the regulation of all surface coal mining and reclamation operations in the Commonwealth in the event that the Commonwealth receives from the United States department of interior and pursuant to the surface mining control and reclamation act of 1977 (PL 95-87) approval of a permanent state regulatory program, and the Commonwealth has promulgated regulations pursuant to this section.

(2) The department for natural resources and environmental protection is hereby authorized and directed to prepare, develop and promulgate a comprehensive permanent regulatory program for the implementation of the surface mining control and reclamation act of 1977 (PL 95-87) for the purpose of accepting and administering primary enforcement responsibilities pursuant to that act. The implementation of this section shall contain procedures similar to the surface mining control and reclamation act of 1977 (PL 95-87) and shall require surface coal mining operation performance standards no more stringent than provided for in that act. Nothing herein shall be construed to empower the department to adopt a regulatory program in conflict with the policy and purposes of the surface mining control and reclamation act of 1977 (PL 95-87). To that end, the department for natural resources and environmental protection shall include in its permanent regulatory program:

(a) Environmental protection performance standards to prevent or minimize the adverse environmental effects of surface coal mining and reclamation operations on the land and water resources of the Commonwealth.

(b) A procedure for designating as being unsuitable for mining certain lands because of their topographical, geological, hydrological, climatological, biological, or chemical characteristics or historical, cultural, scientific or aesthetic values.

(c) Procedures *and regulations* for the allowance of those persons having *an* [a valid legal] interest which is or may be adversely affected to have the opportunity to be heard at every significant or critical part of the administrative and judicial process, *including, but not limited to, the permit review and issuance process, the setting, release, and inspection of bonds, the general enforcement process and hearings incident thereto, and the rulemaking procedures conducted by the department. Such regulations shall provide reasonable procedures for notice and an opportunity to be heard, access to minesites, access to records, and other reasonable procedures to accomplish the purposes of this chapter.*

(d) Procedures for the administrative and judicial review of all actions of the department to administer and enforce the provisions of this chapter.

(e) Plans and procedures for the reclamation and restoration of land and water resources affected by mining which have been abandoned or inadequately reclaimed to the standards imposed by this section and for which no bond is held or legal obligation to reclaim continues. Such plan shall include provisions for the imposition of liens for necessary reclamation expenditures made on private property.

(f) Procedures for the assumption of the small operator assistance program pursuant to the surface mining control and reclamation act of 1977 (PL 95-87). The department shall assume and implement that program and apply for and administer funds as may be provided pursuant to that act *and such state funds as may be provided for the program.*

(3) In addition to any other authority, power and duty vested in it by law, the department shall have and exercise broad authority, power and duty to:

(a) Require those persons who wish to engage in surface coal mining and reclamation operations to submit application for a permit from the department to conduct such operations, and to include in that application all information required by the department pertaining to that operation.

(b) Issue, deny, modify or suspend under such conditions as the department may prescribe, permits to conduct surface coal mining and reclamation operations within the Commonwealth.

(c) Enter and inspect any permitted surface coal mining and reclamation operation or any known or suspected unpermitted mining operation for the purpose of ascertaining compliance with any provision of this section or of the permit.

(d) Order the cessation of mining activities, and if necessary impose affirmative abatement obligations, upon the operator when, upon inspection, the department determines that this section or any permit condition is being or has been violated so as to constitute an imminent and inordinate peril to the welfare of the Commonwealth.

(e) Order an operator to comply with the requirements of this section or his permit if inspection reveals a violation of the conditions of his permit or of any provision of this section.

(f) Order an operator to appear and show cause why his permit should not be revoked and his bond forfeited if the department determines that the operator or the permitted operation has a pattern of violations of this section or permit conditions, and has wilfully violated this section or permit conditions or a pattern of violations exists and that such violations are caused by the permittees' unwarranted failure to comply with this section or permit conditions.

(g) Require, increase, release or decrease, under such conditions as the department may prescribe reclamation performance bonds and cause the forfeiture and collection of those bonds where the permittee has abandoned the operation or for which the permit under which the bond was given has been revoked or has expired without the required reclamation.

(h) To administratively impose, in lieu of those civil penalties provided for in KRS 350.990, civil penalties of up to five thousand dollars ($5,000) per day for violations of permit conditions, this section, or any orders of the department and enforce the administrative assessment of such penalties by initiating civil action in the Franklin circuit court or in any court having jurisdiction of the defendant.

(i) Conduct hearings and make investigations of any matter relating to the regulation of surface coal mining and reclamation operations, *and provide for the assessment and payment of civil penalties.*

(j) Provide for variances or exceptions *consistent with KRS 350.450* from or in addition to mining performance standards, recognizing the specific characteristics inherent in:

1. Steep slope mining;
2. Mountaintop removal;
3. Relatively low acreage disturbance or annual coal production;
4. Prime farmland mining as defined by the United States department of agriculture, and to provide for other variances where land uses and watersheds will be improved; and

5. Post mining uses different from and as beneficial as the pre-mining uses.

(k) Receive and expend funds or aid from whatever source to accomplish the purposes of this chapter.

(l) Propose and promulgate regulations to accomplish the purposes of this section.

(4) The department shall not promulgate regulations which are inconsistent with the surface mining control and reclamation act of 1977 (PL 95-87).

(5) Any person who violates a provision of this section or the regulations promulgated pursuant thereto shall be subject to those penalties and remedies set forth in KRS 350.990 except as provided for in subsection (3)(h) herein.

Section 35. KRS 350.990 is amended to read as follows:

(1) Any person or operator who violates any of the provisions of this chapter or regulations adopted pursuant thereto or who fails to perform the duties imposed by these provisions, except the refusal or failure to obtain a permit or other authorization as provided herein, or who violates any determination or order promulgated pursuant to the provisions of this chapter, shall be liable to a civil penalty of not [less than one hundred dollars ($100) nor] more than five thousand dollars ($5,000) for said violation, and an additional civil penalty of not [less than one hundred dollars ($100) nor] more than *five* [one] thousand dollars *($5,000)* [($1,000)] for each day during which such violation continues, and in addition, may be enjoined from continuing such violations as hereinafter provided in this section*; provided, however, that any operator or person who fails to abate a violation noted in a notice of non-compliance within the time period prescribed for such abatement shall be assessed a civil penalty of not less than seven hundred fifty dollars ($750) for each day during which such violation continues. A civil penalty of not less than seven hundred fifty dollars ($750) for each day shall be assessed against any person issued an order pursuant to KRS 350.130(4)*. Such penalties shall be recoverable in an action brought in the name of the Commonwealth of Kentucky by the department's office of general counsel, or upon the secretary's request, by the attorney general. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto. All sums recovered shall be placed in the state treasury.

(2) Any person who engages in strip mining without first securing a permit, as provided in KRS 350.060, or any person who engages in operations without proper authorization, [which shall not be construed to mean permits,] as required by the department pursuant to KRS 350.151 shall be liable to a civil penalty for damages to the Commonwealth of not less than five thousand dollars ($5,000) nor more than twenty-five thousand dollars ($25,000) and in addition, may be enjoined from continuing such violations as hereinafter provided. Each day shall constitute a separate violation. However, the penalties provided for in subsection (1) of this section shall apply in lieu of the penalties provided for in this subsection where an operator through inadvertence has exceeded the boundaries of the permit in effect at that time.

(3) It shall be the duty of the department's office of general counsel or, upon the secretary's request, of the attorney general to bring an action for the recovery of the penalties herein provided for and to bring an action for a restraining order, temporary or permanent injunction, against any operator or other person violating or threatening to violate any of the provisions of this chapter or violating or threatening to violate any order or determination promulgated pursuant to the provisions of this chapter. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto.

(4) Any person who shall *knowingly and* wilfully violate any of the provisions of this chapter, except as provided in subsection (5) or any determination or order promulgated pursuant to the sections of this chapter which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than five hundred dollars ($500) and not more than *ten thousand dollars ($10,000) or by imprisonment for not more than one (1) year, or both* [five thousand dollars ($5,000)]. Each day on which such violation occurs shall constitute a separate offense.

(5) Any person who, in violation of KRS 350.060, wilfully and knowingly engages in strip mining without first obtaining a permit from the department or any person who wilfully and knowingly engages in operations without proper authorization, [which shall not be construed to mean permits,] as required by the department pursuant to KRS 350.151 with the intent to violate such laws shall be guilty of a Class A misdemeanor and upon conviction thereof shall be imprisoned for a term of up to one (1) year.

(6) Any person who knowingly makes any false statement, representation or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained by the department, shall upon conviction be guilty of a misdemeanor and shall be imprisoned for a term of up to one (1) year, or be fined not *more than ten thousand dollars ($10,000), or both.*

(7) Nothwithstanding any other provision of law, any person who shall wilfully resist, prevent, impede, or interfere with the secretary or other personnel of the department in the performance of duties

pursuant to this chapter shall, upon conviction, be fined not more than five thousand dollars ($5,000) or imprisoned for not more than one (1) year, or both.

(8) Whenever a corporate permittee violates any provision of this chapter or regulation issued pursuant thereto or fails or refuses to comply with any final order issued by the secretary, any director, officer, or agent of such corporation who wilfully and knowingly authorized, ordered, or carried out such violation, failure or refusal shall be subject to the same civil penalties, fines, and imprisonment as may be imposed upon a person pursuant to this section.

SECTION 36. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The secretary of the department for natural resources and environmental protection is hereby authorized to establish a planning process enabling objective decisions based upon competent and scientifically sound data as to which, if any, lands of the Commonwealth are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in this Act: Provided, that any such designation shall not prevent coal or other mineral exploration of any area so designated.

(2) Upon petition and hearing pursuant to subsection (5) of this section, the secretary shall designate an area as unsuitable for all or certain types of surface coal mining operations, if the secretary determines that reclamation pursuant to this chapter is not technologically and economically feasible.

(3) Upon petition and hearing pursuant to subsection (5) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will:

(a) Be incompatible with existing state and local land use plans; or

(b) Affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values, and natural systems; or

(c) Affect renewable resource lands in which such operations could result in a substantial loss or reduction of long range productivity of water supply or food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(d) Affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) Determinations of the unsuitability of land for surface coal mining shall be integrated as closely as possible with present and future land use planning and regulation processes at any appropriate level of government, including but not limited to any valid exercise of authority of a municipality or county, acting independently or jointly, pursuant to KRS Chapter 100.

(5) The requirements of this Act shall not apply to lands on which coal mining operations were being conducted on August 3, 1977 or under a permit issued pursuant to this chapter or where substantial legal and financial commitments in such operation were in existence prior to January 4, 1977.

(6) Other provisions of this chapter relating to hearings to the contrary notwithstanding, any person having an interest which is or may be adversely affected shall have the right to petition the department to the extent such a petition would be consistent with subsections (2) and (3) of this section, to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten (10) months after the receipt of the petition, the department shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing, pursuant to regulations promulgated by the department to implement this section. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty (60) days after such a hearing, the department shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefore. In the event that all petitioners stipulate agreement prior to the requested hearing and withdraw their request, such hearing need not be held.

(7) Prior to designating any land areas as unsuitable for surface coal mining operations, the department shall prepare a detailed statement on:

(a) The potential coal resources of the area; and

(b) The demand for coal resources; and

(c) The impact of such designation on the environment, the economy, and the supply of coal.

(8) Subject to subsection (5) of this section, the department shall not issue a permit to conduct surface coal mining and reclamation operations in controvention of any designation or any decision on any petition pursuant to subsection (6) of this section regarding any surface area designated unsuitable for mining; nor shall the department issue a permit to conduct surface coal mining and reclamation operations in an area under study for such designation in an administrative proceeding already commenced under subsection (6) of this section provided that no petition pursuant to subsection (6) of this section shall be entertained by the department for an area in which a permit application is pending before the department.

SECTION 37. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) Nothing in this chapter shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

(2) Each operator of a surface coal mine shall replace the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial or other legitimate use from an underground or surface source where such supply has been affected by contamination, diminution, or interruption proximately resulting from such surface coal mine operation.

SECTION 38. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

Any agency, unit, or instrumentality of federal, state, or local government, including any publicly owned utility or publicly owned corporation of federal, state, or local government, which proposes to engage in surface coal mining operations, as defined by KRS 350.010(1), shall comply with the requirements of this chapter.

Section 39. The general assembly finds and declares that an emergency exists because of the federal requirement that state legislation necessary to comply with the provisions of Public Law 95-87, the "surface mining control and reclamation act of 1977," be a validly enacted law on or before June 15, 1980, in order that the state program filing of March 3, 1980, be deemed complete, and that the state law shall be in effect before the United States secretary of interior can approve the state program, or the state's proposed permanent program would otherwise be disapproved by the United States secretary of interior, thereby causing the installation of a federal program in the Commonwealth. Therefore, this legislation shall become a validly enacted law when signed by the governor, but the provisions of this Act shall not become effective until approval of the state program by the United States secretary of interior pursuant to Public Law 95-87, the surface mining control and reclamation act of 1977.

The Committee Substitute to **HB 566** is as follows:

HB 566, AN ACT relating to surface coal mining.

WHEREAS, the Commonwealth of Kentucky intends to establish a state program pursuant to P.L. 95-87, the "surface mining control and reclamation act of 1977" and thereby obtain primacy to exercise exclusive regulatory authority over surface coal mining and reclamation within the Commonwealth; and

WHEREAS, the laws of the Commonwealth must meet the minimum requirements of and be in accordance with and not inconsistent with the requirements of P.L. 95-87 in order that the state obtain primacy under that Act but shall not be more stringent than is required to obtain primacy considering Kentucky's unique terrain and hydrology; and

WHEREAS, many requirements imposed on the Commonwealth by the United States department of interior, office of surface mining, which must be met before the state can obtain primacy are highly objectionable on constitutional and policy grounds and the state reserves its right to oppose the objectionable requirements in the future; and

WHEREAS, many of the objectionable provisions are the subject of pending litigation which the Commonwealth may elect to join and other objectionable requirements may be challenged in the courts in the future and the state may elect to join or initiate litigation challenging these objectionable requirements; and

WHEREAS, the Commonwealth of Kentucky objects particularly to the mandatory and inflexible requirement that all surface mined land must be returned to its approximate original contour with all highwalls completely covered in all circumstances, the requirement that the state's police powers must be employed to declare lands unsuitable for mining by petition process, the requirement that persons must prepay civil penalty assessments before being allowed to challenge them and the requirements that summary cessation orders must be issued for a bare failure to abate a violation not involving any danger to the health or safety of the public or environment, and if not coerced by the threatened denial of primacy by the federal office of surface mining, the state would choose to address these matters by measures of its own devising; and

WHEREAS, the laws of the Commonwealth must be amended in a number of respects so as to authorize the state to qualify for primacy and implement the requirements of P.L. 95-87 but should not become effective until the United States secretary of interior approves the state program pursuant to P.L. 95-87; and

WHEREAS, the General Assembly of the Commonwealth of Kentucky does hereby request a variance from the position of OSM concerning prepublication in that OSM's position enables the private citizen to file suit for lands unsuitable for mining and effectively stop the permitting process. The General Assembly finds that the permitting procedure could continue during the petitioning process and requests that OSM reconsider on this point; and, further, the General Assembly directs the department for natural resources and environmental protection to preserve and enhance the integrity of the permitting process;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Surface coal mining operations" means activities conducted on the surface of lands in connection with a surface coal mine or subject to the requirements of this chapter and surface impacts incident to an underground coal mine. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, the use of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and cleaning, concentrating or other processing or preparation, and the loading of coal at or near the mine site. Such activities shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him, or the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the department. Surface coal mining operations shall also include the areas upon which activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface resulting from or incident to such activities. This definition includes the terms "strip mining" of coal and the "surface effects of underground mining" of coal as used in this chapter.

(2)[(1)] "Strip mining" means the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, and other solid matter from its original location; and the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use; but shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the department nor shall it include the surface effects or surface impacts of underground coal mining;

(3) *"Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of such operations as required by this chapter.*

(4)[(2)] "Overburden" means all of the earth and other materials which lie above a natural deposit of coal and also means such earth and other material after removal from their natural state in the process of strip mining;

(5)[(3)] "Area of land affected" means the area of land from which overburden is to be or has been removed and upon which the overburden is to be or has been deposited and shall include all lands affected by the construction of new roads or the improvement or use of existing roads other than public roads, to gain access and to haul coal;

(6)[(4)] "Operations" means *surface coal mining operations,* all of the premises, facilities, roads and equipment used in the process of producing coal from a designated [strip mine] area or removing overburden for the purpose of determining the location, quality or quantity of a natural coal deposit or the activity to facilitate or accomplish the extraction or the removal of coal;

(7)[(5)] "Method of operation" means the method or manner by which the cut or open pit is made, the overburden is placed or handled, water is controlled and other acts are performed by the operator in the process of uncovering and removing the coal;

(8)[(6)] "Operator" means any person, partnership or corporation engaged in *surface coal mining and reclamation operations* [strip mining] who removes or intends to remove more than two hundred fifty (250) tons of coal from the earth by strip mining within twelve (12) successive calendar months or who removes overburden for the purpose of determining the location, quality or quantity of a natural coal deposit;

(9)[(7)] "Person" means any persons, partnership, corporation, association, society, joint stock company, firm, company or other business organization;

(10)[(8)] "Department" means the department for natural resources and environmental protection;

(11)[(9)] "Secretary" means the secretary of the department for natural resources and environmental protection;

(12)[(10)] "Reclamation" means the reconditioning of the area affected by *surface coal* [strip] mining *operations* under a plan approved by the department;

(13)[(11)] "Degree" when used in this chapter shall mean from the horizontal, and in each case shall be subject to a tolerance of five percent (5%) of error;

(14)[(12)] "Bench" means the ledge, shelf or terrace formed in the contour method of strip mining;

(15)[(13)] "Fill bench" means that portion of the bench which is formed by depositing overburden beyond the cut section.

(16)[(14)] "Approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads [(when not necessary to support its approved postmining use),] closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the department determines that they are in compliance with KRS 350.455.

Section 2. KRS 350.020 is amended to read as follows:

The general assembly finds that the Commonwealth is the leading producer of coal and that the production of coal in Kentucky contributes significantly to the nation's energy needs. The general assembly further finds that [the] unregulated *surface coal* [strip] mining *operations* [of coal] *cause* [causes] soil erosion, damage from rolling stones and overburden, landslides, stream pollution, the accumulation of stagnant water and the seepage of contaminated water, *increase* [increases] the likelihood of floods, *destroy* [destroys] the value of land for agricultural purposes, *destroy* [destroys] aesthetic values, *counteract* [counteracts] efforts for the conservation of soil, water and other natural resources, *destroy* [destroys] or *impair* [impairs] the property rights of citizens, *create* [creates] fire hazards, and in general *create* [creates] hazards dangerous to life and property, so as to constitute an imminent and inordinate peril to the welfare of the Commonwealth. The general assembly further finds that lands that have been subjected to *surface coal mining operations* [strip mining] and have not been reclaimed and rehabilitated in accordance with modern standards constitute the aforementioned perils to the welfare of the Commonwealth. The general assembly further finds that there are wide variations in the circumstances and conditions surrounding and arising out of *surface* [the strip mining of] coal *mining operations* due primarily to difference in topographical and geological conditions, and by reason thereof it is necessary, in order to provide the most effective, beneficial and equitable solution to the problem, that a broad discretion be vested in the authority designated to administer and enforce the regulatory provisions enacted by the general assembly. *The general assembly further finds that primary governmental responsibility for regulating surface coal mining operations rests with state government and hereby directs the department for natural resources and environmental protection to take all actions necessary to preserve and exercise the Commonwealth's primary authority in regulating surface coal mining operations.* Therefore, it is the purpose of this chapter to provide such regulation and control of *surface* [the strip mining of] coal *mining operations* as to minimize or prevent its injurious effects on the people and resources of the Commonwealth. To that end, the department is directed to rigidly enforce this chapter and to adopt whatever regulations are found necessary to accomplish the purpose of this chapter.

Section 3. KRS 350.028 is amended to read as follows:

The department for natural resources and environmental protection shall have and exercise the following authority and powers:

(1) To adopt rules and regulations *after a hearing* pertaining to *surface coal mining operations including* strip mining *and the surface effects of underground mining* to accomplish the purposes of this chapter;

(2) To conduct investigations and hearings under provisions of this chapter and KRS chapter 224 or regulations adopted pursuant thereto;

(3) To issue after *a show cause* hearing, suspension orders or orders requiring an operator to adopt such remedial measures as are necessary to comply with this chapter and regulations adopted pursuant thereto;

(4) To issue after a hearing, a final order *imposing civil penalties for violations of this chapter or* directing the Kentucky bureau of surface mining reclamation and enforcement to revoke a permit, when the requirements set forth by the notice of noncompliance, order of suspension, or an order of the department requiring remedial measures have not been complied with according to the terms therein, *provided that the secretary or his authorized representatives determine that a pattern of violations of the requirements of this Act or any permit conditions required by this Act exists or has existed and if the secretary or his authorized representatives also finds that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions or that such violations are willfully caused by the permittee*; and

(5) To adopt rules and regulations to allow the state to administer and enforce the initial *and permanent regulatory programs* [regulation procedure] of Section 502 of Public Law 95-87, "surface mining control and reclamation act of 1977" provided that such rules and regulations shall be no more stringent than required by such law.

Section 4. KRS 350.055 is amended to read as follows:

(1) *An* [A prospective] applicant for a permit required by KRS 350.060 shall publish [at least once a] public notice of his *filing of* [intention to file] an application for that permit. Such publication shall be made by advertisement in a newspaper of largest bona fide circulation, according to the definition in KRS 424.110 to 424.120, in the county wherein the proposed mining site is located.

(2) *The applicant shall publish the notice of intention to mine in the newspaper identified in subsection (1) at least once a week for four consecutive weeks beginning at the time of submission of an application*

for a surface coal mining operation permit, pursuant to regulations promulgated by the department [The publication shall be made not less than ten (10) nor more than thirty (30) days prior to the filing of the permit application with the department].

(3) The public notice of the intention to file an application shall be entitled "Notice of Intention to Mine" and shall be in a manner and form prescribed by the department and shall include, though not be limited to, the following:

(a) The name and address of the applicant;

(b) The location, *ownership and boundaries* of the proposed mining site;

(c) A brief description of the kind of mining activity proposed, together with a statement of the amount of acreage affected by the proposed operation.

(4) The applicant for a permit required by KRS 350.060 shall establish the date and place at which the "Notice of Intention to Mine" was published by attaching to his application a verified affidavit from the publishing newspaper containing the information required by this section.

(5) The department shall notify various local government bodies, planning agencies, and sewage and water treatment authorities and water companies in the locality of the proposed operation notifying them of the operator's or person's intention to mine the land area as set forth in the notice of intention to mine, and identifying the permit application number assigned by the department and where a copy of the permit application may be inspected. The secretary shall promulgate regulations specifying the manner in which such agencies may comment on the application. Any comments put forward pursuant to this section shall immediately be forwarded by the department to the applicant and shall be made available to the public at the same places as the permit application is available.

Section 5. KRS 350.060 is amended to read as follows:

(1) No *person* [operator] shall engage in *surface coal mining and reclamation operations* [strip mining] without having first obtained from the department a permit designating the area of land affected by the operation. Permits shall authorize the operator to engage in *surface coal mining and reclamation operations* [strip mining] upon the area of land described in his application for a period of not *to exceed five (5) years; provided that if an applicant demonstrates that a specified longer term is reasonably needed to obtain necessary financing for equipment and the opening of the operation and if the application is full and complete for such specified longer term, the department may grant a permit for such longer term* [less than two (2) years notwithstanding the date of issuance]. No mining shall be permitted beyond the time period obligations of the initial or extended bond coverage.[;]

(2) All operators who wish to engage in surface coal mining and reclamation operations and who have a valid permit from the department and who are in expectation of operating such mines after the expiration of eight (8) months from the approval by the secretary of the interior of the permanent regulatory program shall within two (2) months of the effective date of such approval apply for a new permit for such mines in compliance with the requirements of this section. The department for natural resources and environmental protection shall establish procedures and programs consistent with this chapter to issue or deny such permits within eight (8) months of such approval. The general assembly finds the fact that, due to the large number of permitted operations within the Commonwealth, the eight-month period may be administratively impracticable, and hereby authorizes the secretary to devise procedures to comply with this section in the most expeditious and reasonable manner possible, and a filing shall be deemed timely for the purposes of this subsection and surface coal mining operations may continue under an existing permit if that filing is in substantially complete form and submitted within the time limits set forth herein.

(3) Any permit validly issued by the department under the interim regulatory program in effect on the effective date of this subsection and which would expire at any time after May 1, 1980 and before eight (8) months after approval of the permanent regulatory program by the United States secretary of the interior, shall be extended and remain in effect until eight (8) months after approval of the permanent regulatory program. Any interim permit so extended shall continue as a valid existing permit for purposes of this subsection if the permittee so requests and files an application for a permit with the department within two (2) months of the date of approval of the permanent regulatory program. The permittee may conduct operations under that existing permit beyond the eight (8) month period if an application has been filed in accordance with this subsection, but the initial administrative decision has not been rendered. The department shall not accept interim permit applications after August 1, 1980 or after December 1, 1980 if the United States Secretary of the Interior has not approved the commonwealth's permanent regulatory program by September 3, 1980. The department shall receive and act on all substantially complete permit applications tendered to it on or before August 1, 1980 or December 1, 1980, whichever date is applicable, under the interim program.

(4) No permit or revision application shall be approved unless the application affirmatively demonstrates and the department finds in writing on the basis of the information set forth in the application or from information otherwise available, that the permit application is accurate and complete and that all the requirements of this chapter have been complied with.

(5)[(2)] An operator desiring a permit *to engage in surface coal mining operations* shall file an application which shall state:

(a) The location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) The owner or owners of the surface of the area of land to be affected by the permit and the owner or owners of all surface area within five hundred (500) feet of any part of the affected area;

(c) The owner or owners of the coal to be mined;

(d) The source of the applicant's legal right to mine the coal on the land affected by the permit;

(e) The permanent and temporary post-office addresses of the applicant;

(f) Whether the applicant or any person, partnership or corporation associated with the applicant holds or has held any other permits under this chapter, and an identification of such permits;

(g) Whether or not the applicant is in compliance with subsection (3) of KRS 350.130 and whether or not every officer, partner, director or any individual owning of record or beneficially (alone or with associates) if known, ten percent (10%) or more of any class of stock of the applicant, is subject to any of the provisions of subsection (3) of KRS 350.130 and he shall so certify; *and*

(h) A listing of any and all violations of this chapter, P.L. 95-87, and any law, rule or regulation in effect for the protection of air or water resources incurred by the applicant in connection with any surface coal mining and reclamation operation during the three-year period prior to the date of an application. Such a list shall indicate the final resolution of the violations.

(6)[(3)] The application for a permit shall be accompanied by five (5) copies of a United States geological survey topographic map or such other map acceptable to the department on which the operator has indicated the location of the operation, the course which would be taken by drainage from the operation to the stream or streams to which such drainage would normally flow, the name of the applicant and date, and the name of the person who located the operation on the map.[;]

(7)[(4)] The application for a permit shall be accompanied by five (5) copies of an enlarged United States geological survey topographic map or such other map acceptable to the department meeting the requirements of the subsections below. The map shall:

(a) Be prepared and certified by a professional engineer, registered under the provisions of KRS chapter 322. The certification shall be in the form as provided in subsection *(9)* [(5)] below;

(b) Identify the area to correspond with the application;

(c) Show adjacent deep mining and the boundaries of surface properties and names of owners on the affected area and within five hundred (500) feet of any part of the affected area;

(d) Be of a scale of not less than four hundred (400) feet to the inch and not to exceed six hundred and sixty (660) feet to the inch;

(e) Show the names and locations of all streams, creeks, or other bodies of public water, roads, buildings, cemeteries, oil and gas wells, and utility lines on the area of land affected and within five hundred (500) feet of such area;

(f) Show by appropriate markings the boundaries of the area of land affected, the cropline of the seam or deposit of coal to be mined, and the total number of acres involved in the area of land affected;

(g) Show the date on which the map was prepared, the north point and the quadrangle name; *and*

(h) Show the drainage plan on and away from the area of land affected. Such plan shall indicate the directional flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving the discharge.[;]

(8) Each application shall include a determination of the probable hydrologic consequences of the mining and reclamation operations, both on and off the minesite, with respect to the hydrologic regime, quantity and quality of water in surface and groundwater systems, including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the minesite and surrounding areas so that an assessment can be made by the department of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability; provided, however, that this determination shall not be required until such time as hydrologic information on the general area prior to mining is made available from an appropriate federal or state agency. Provided further, that the permit shall not be approved until such information is available and is incorporated into the application.

(9)[(5)] *All certifications required by this chapter to be made* [The certification of the maps] by [the] professional *engineers* [engineer] shall *state that the information or documentation contained in the application is correct,* [read as follows: "I, the undersigned, hereby certify that this map is correct,] and shows to the best of *his or her* [my] knowledge and belief all the information required by the *applicable* [strip mining] laws *and regulations* of this state *is included.*["] The certification shall be signed and notarized. The department may reject any *document or* map as incomplete if its accuracy is not so attested. *The certification shall be done in the form prescribed by the department.*

(10)[(6)] The application [for a permit] shall be accompanied by a transportation plan which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport

minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. The transportation plan shall contain a certification by a duly authorized official of the department of transportation attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and the accuracy of the specifications of weight limits on such highways and bridges.[;]

(11)[(7)] In addition to the information and maps required above, each application for a permit shall be accompanied by detailed plans or proposals showing the method of operation, the manner, time and distance for backfilling, grading work and a reclamation plan for the affected area, which proposals shall meet the requirements of this chapter and rules and regulations adopted pursuant thereto.[;]

[(8) Each application shall also be accompanied by a statement of consent to have strip mining conducted upon the area of land described in the application for a permit. The statement of consent shall be signed by each holder of a freehold interest in such land. Each signature shall be notarized. No permit shall be issued if the application therefor is not accompanied by the statement of consent. This statement of consent shall not be required for coal mined under the provisions of KRS chapters 351 and 352;]

(12) The application for a permit shall be accompanied by proof that the applicant has public liability insurance coverage satisfactory to the department for the surface mining and reclamation operations for which the permit is sought, or proof that the applicant has satisfied self-insurance requirements as provided by regulations of the department. Such coverage shall be maintained in full force and effect during the terms of the permit and any renewal thereof, and until reclamation operations are completed.

(13)[(9)] A basic fee set by regulation, and bearing a reasonable relationship to the cost of processing the permit application but not to exceed two hundred fifty dollars ($250) plus a fee set by regulation but not to exceed fifty dollars ($50) for each acre or fraction thereof of the area of land to be affected by the operation, shall be paid before the permit required herein shall be issued. The operator shall file with the department a bond payable to the Commonwealth of Kentucky with surety satisfactory to the department in the penal sum to be determined by the department [on the recommendation of the secretary of not less than five hundred dollars ($500) nor more than three thousand dollars ($3,000)] for each acre or fraction thereof of the area of land affected, with a minimum bond of *ten thousand dollars ($10,000)* [five thousand dollars ($5,000)], conditioned upon the faithful performance of the requirements set forth in this chapter and of the rules and regulations of the department. In determining the amount of the bond [within the above limits,] the department shall take into consideration the character and nature of the overburden, the future suitable use of the land involved and the cost of backfilling, grading and reclamation to be required *and the probable difficulty of reclamation giving consideration to such factors as topography, geology, hydrology, and revegetation potential. The bond amount shall initially be computed to be sufficient to assure completion of reclamation if the work had to be performed by the department in the event of forfeiture. The department shall promulgate regulations setting forth bonding requirements including, but not limited to, requirements for the amount, duration, release, and forfeiture of such bonds. Where a surface coal mining operation affects two (2) acres or less and* [In a particular instance where] the circumstances are such as to warrant an exception, the department, in its discretion, may reduce the amount of the bond for a particular operation to less than the required minimum.[;]

(14)[(10)] The department shall promulgate rules and regulations setting forth operation requirements for the extraction of coal for commercial purposes where the *surface coal* [strip] mining operation affects two (2) acres or less. Such regulations shall not be more stringent than those imposed on *surface coal* [strip] mining operations affecting more than two (2) acres. All performance, procedural, and notice requirements for strip mining operations which affect two (2) acres or less shall be promulgated by regulation pursuant to this subsection, except the enforcement provisions of KRS 350.130, the penalty provisions of KRS 350.990, the permit requirements in subsection (1) of this section, and the bonding requirements set forth in subsection *(13)* [(9)] of this section.[;]

(15) The department shall promulgate rules and regulations for the permitting of operations with surface effects of underground mining and other surface coal mining and reclamation operations consistent with this section. The department shall recognize the distinct differences between the surface effects of underground mining and strip mining, as also provided in KRS 350.151, in promulgating permitting requirements for these operations; provided, that the department shall require that the areas overlaying underground workings not affected by the operation be permitted only for purposes of subsidence control and shall not be subject to the payment of acreage fees or bond requirements of subsection (13) of this section.

(16)[(11)] Any valid permit issued pursuant to this chapter shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holders of the permit may apply for renewal and such renewal shall be issued (provided that on application for renewal the burden shall be on the opponents of renewal), *subsequent to the fulfillment of* [and] the public notice

requirements of this chapter [shall not apply] unless it is established and written findings by the department are made that:

(a) The terms and conditions of the existing permit are not being satisfactorily met;

(b) The present *surface* [strip] coal mining and reclamation operation is not in compliance with the environmental protection standards of this chapter;

(c) The renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;

(d) The operator has not provided evidence that the performance bond in effect for *said operation will continue in full force and effect for* any renewal requested in such application as well as any additional bond the department might require; or

(e) Any additional revised or updated information required by the department has not been provided; Prior to the approval of any renewal of permit the department shall provide notice to the appropriate public authorities.[;]

(17)[(12)] If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new [land] areas *of surface disturbance* shall be subject to the full standards applicable to new applications under this chapter.[;]

(18)[(13)] Any permit renewal shall be for a term not to exceed the period of the original permit. Application for permit renewal shall be made *at least one hundred and twenty (120)* [not later than thirty (30) working] days prior to the expiration of the valid permit.[;]

(19) Notwithstanding any of the provisions of this section, a permit shall terminate if the permittee has not commenced the surface coal mining operations covered by such permit within three (3) years of the issuance of the permit. However, the department may grant reasonable extensions of time upon a showing that such extensions are necessary by reason of litigation precluding commencement of operations, or threatening substantial economic loss to the permittee, or by reason of conditions beyond the control and without the fault or negligence of the permittee. With respect to coal to be mined for use in a synthetic fuel facility or specific major electric generating facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel or generating facility is initiated.

SECTION 6. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

The secretary of the department for natural resources and environmental protection shall promulgate regulations for the permitting and performance of coal exploration operations which substantially disturb the natural land surface. Such regulations shall include at a minimum provisions for giving notice of intention to explore including a description of the area to be explored and the period of supposed exploration and provisions for reclamation, as required by this chapter, of all land disturbed in the exploration.

(2) Any requirements of public access to records set forth in the Kentucky Revised Statutes to the contrary notwithstanding, the secretary shall order that confidential trade secrets or privileged commercial or financial information in the possession of the department or pursuant to a coal exploration permit remain confidential.

(3) No person or operator shall remove more than two hundred and fifty (250) tons of coal pursuant to a coal exploration permit without the specific written approval of the department.

(4) All persons or operators conducting operations pursuant to this section shall be subject to the applicable provisions of KRS 350.990.

Section 7. KRS 350.070 is amended to read as follows:

(1) Revisions which request extensions of the area covered by the permit, except incidental boundary revisions shall be made by application for another permit. [The department may increase or reduce the area of land affected by an operation under a permit on application by an operator, but an increase shall not extend the period for which an original permit was issued. An operator may, at any time during the term of the permit, apply to the department for an amendment of the permit so as to increase or reduce the acreage affected by it.] The operator shall file an application, [and] map *and revised reclamation plan* in the same form and with the same content as required for an original application under this chapter and shall pay a basic fee set by regulation and bearing a reasonable relationship to the cost of processing the permit application but not to exceed two hundred and fifty dollars ($250), plus a fee set by regulation but not to exceed fifty dollars ($50) for each acre or fraction of an acre for the increase requested, and shall file with the department a supplemental bond in the amount to be determined under the provisions of KRS 350.060 for each acre or fraction of an acre of the increase approved. If the department approves a reduction in the acreage covered by the original or supplemental permit, it shall release the bond for each acre reduced, but in no case shall the bond be reduced below *ten* [five] thousand dollars *($10,000)* [($5,000)], except as provided in subsection *(12)* [(7)] of KRS 350.060. If the department approves a reduction in acreage covered by the original or supplemental permit, it shall transfer the acreage fee for each acre reduced to acreage fees in subsequent permit applications by the operator.

(2) The department shall promulgate regulations specifying the permit application information requirements and procedures, including notice and hearing, which shall apply depending on the scale or extent of a revision; provided, that any permit revisions which propose significant alterations in the reclamation plan shall be subject to the notice and hearing requirements as set forth in the regulations of the department.

Section 8. KRS 350.085 is amended to read as follows:

(1) No application for a permit and no operation shall be approved or allowed by the department if there is found on the basis of the information set forth in the application that the requirements of this chapter or regulations will not be observed or that there is not probable cause to believe that the proposed method of operation, backfilling, grading or reclamation of the affected area can be carried out consistent with the purpose of this chapter;

(2) If the department finds that the overburden on any part of the area of land described in the application for a permit is such that experience in the commonwealth with a similar type of operation upon land with similar overburden shows that substantial deposition of sediment in stream beds, landslides or acid water pollution cannot feasibly be prevented, the department may delete such part of the land described in the application upon which such overburden exists;

(3) Subject to valid existing rights no *surface coal* [strip mining] *operations* [operation] except those which existed on or before August 4, 1977 shall be permitted [to be] within three hundred (300) feet from any occupied dwelling unless waived by the owner thereof, nor within three hundred (300) feet of any public building, school, church, community, or institutional building, public park, or within one hundred (100) feet of a cemetery. Nor shall the department issue a permit if it finds that the operation will constitute a hazard to or do physical damage to a dwelling house, public building, school, church, cemetery, commercial or institutional building, public road, stream, lake or other public property. The department shall delete such areas from the permit application or operation;

(4) *Subject to valid existing rights, no surface coal mining operations except those which existed on or before August 4, 1977, shall be permitted* [The department shall not give approval to strip mine any area which is] within one hundred (100) feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the department *shall* [may] permit such roads to be relocated or the area affected to lie within one hundred (100) feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interest of the public and the land owner affected thereby will be protected, and shall not approve the application for a permit where the strip mining operation will adversely affect a wild river established pursuant to KRS Chapter 146, [or] a state[, national or interstate] park *or place listed on the national register of historic places* unless adequate screening and other measures as approved by the department are incorporated into the permit application.

(5) Subject to valid existing rights no surface coal mining operations except those which existed on August 4, 1977, shall be permitted on any privately owned lands within the boundaries of units of the national park system, the national wildlife refuge systems, the national system of trails, the national wilderness preservation system, the wild and scenic rivers system, including study rivers designated under section 5(a) of the wild and scenic rivers act and national recreation areas designated by act of congress.

(6) If based on the information provided pursuant to KRS 350.060(5)(h) and other relevant information, the department finds that any surface coal mining and reclamation operation owned or controlled by the applicant is currently in violation of this chapter or other requirements listed pursuant to KRS 350.060(5)(h), the department shall not issue the permit or permit renewal until the applicant submits proof satisfactory to the department that such violation has been corrected or is in the process of being corrected. It shall be grounds to deny a permit or permit renewal if the department, based on any information available to it and after a hearing, makes a finding that the applicant, or the operator specified in the application has demonstrated a pattern of willful violations pursuant to KRS 350.130(3).

Section 9. KRS 350.090 is amended to read as follows:

(1) Under the provisions of this chapter and regulations adopted by the department, an operator shall prepare and carry out a method of operation, plan of grading and backfilling and a reclamation plan for the area of land affected by his operation. In developing a method of operation, and the plans of backfilling, grading and reclamation, all measures shall be taken to eliminate damages to members of the public, their real and personal property, public roads, streams and all other public property from soil erosion, rolling stones and overburden, water pollution and hazards dangerous to life and property. The *permit application containing the required plans and other information as required* [plan] shall be submitted to the department and, *except for applications or renewals submitted in compliance with KRS 350.060(2),* the department shall notify the applicant by certified mail, return receipt requested or by registered mail within *sixty-five (65)* [thirty (30)] working days after receipt of *a* [the plan and] complete application if it is or is not acceptable. *Provided, however, that in the event that applicable notice, hearing and conference procedures prevent a decision from being issued within the sixty-five (65) working day period, the department shall have additional*

reasonable time to issue its decision, but not to exceed twenty (20) days from the completion of the notice, hearing and conference procedures. If the plan is not acceptable, the department shall set forth the reasons for which the *application or plans are* [plan is] not acceptable and it may propose modifications, delete areas or reject the entire *application* [plan]. Should the applicant disagree with the decision of the department, he may, by written notice, request a hearing conducted by the department in the manner provided by KRS 224.083. The department shall notify the applicant by certified mail, return receipt requested or by registered mail within twenty (20) days after the hearing of its decision. Any person aggrieved by a final order of the department may appeal through the courts as set forth in KRS 224.085.

(2) No operator shall throw, dump, pile or permit the dumping, piling or throwing or otherwise placing any overburden, stones, rocks, coal, particles of coal, earth, soil, dirt, debris, trees, wood, logs, or any other materials or substances of any kind or nature beyond or outside of the area of land which is under permit and for which bond has been posted under KRS 350.060 or place such materials herein described in such a way that normal erosion or slides brought about by natural physical causes will permit such materials to go beyond or outside of the area of land which is under permit and for which bond has been posted under KRS 350.060.

Section 10. KRS 350.093 is amended to read as follows:

(1) [Additional restoration work may be required by the department according to regulations adopted by the department;

(2)] As determined by regulations of the department, time limits shall be established requiring backfilling, grading and planting to be kept current, *such that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable under regulations promulated by the department.* All backfilling and grading shall be completed before necessary equipment is moved from the operation*; provided however that the department may for good cause approve the moving of equipment before all backfilling and grading is completed.*

(2)[(3)] If the operator or other person desires to conduct drift mining *or other underground mining* upon the premises or use the openings for haulageways or other lawful purposes, the operator may designate locations to be used for such purposes at which places it will not be necessary to backfill as herein provided for until such drift *or other underground* mining or other use is completed, during which time the bond on file for that portion of the operation shall not be released. That portion of such locations shall be described and designated on the map attached thereto*; Provided, that where the operator or other person wishes to combine surface operations with underground mining operations to assure maximum practical recovery of coal resources, the department may grant a variance, pursuant to regulations promulgated by the department, for specific areas within the reclamation plan from the requirement that reclamation efforts proceed pursuant to subsection (2) of this section so as to permit underground mining operations prior to reclamation.*

(3) The department may release in whole or in part the reclamation bond or deposit for a particular operation if the department is satisfied that the reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this chapter. Such bond releases shall be made in accordance with the following schedule:

(a) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of sixty percent (60%) of the bond or collateral for the applicable permit area.

(b) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the department shall retain that amount of the bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation; such amount shall be retained for the period specified for operator responsibility for reestablishing revegetation. No part of the bond or deposit shall be released under this subsection so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of requirements set by this chapter or until soil productivity for prime farm lands has returned to levels of yield equivalent to those of unmined land of the same soil type in the surrounding area under equivalent management practices as determined from such soil surveys as may be required to be included in the permit application. Where a sedimentation pond is to be retained as a permanent impoundment, the portion of bond may be released under this subsection so long as provisions for sound future maintenance by the operator or the landowner have been made with the department.

(c) When the operator has completed successfully all surface coal mining and reclamation activities, the release of the remaining portion of the bond, but not before the expiration of the period specified for operator responsibility. Provided, however, that no bond shall be fully released until all reclamation requirements of this chapter are fully met.

[(4) When the backfilling and grading have been completed and approved by the department and the soil ph level required by department regulations has been satisfied, the secretary shall release the bond which was filed for that portion of such operation in its full amount less three hundred dollars ($300) per acre, which shall be retained by the department until such time as the planting and revegetation is done according to law and approved by the department, at which time the secretary shall release the bond in the remaining amount of three hundred dollars ($300) per acre.]

(4) Upon application by a permittee for total or partial bond release, the department shall notify the municipality where the surface coal mining operation is located, pursuant to regulations promulgated by the department.

(5)(a) Upon receipt of the notification and request, the department shall within thirty (30) days conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface or subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution. The department shall notify the permittee in writing of its decision to release or not to release all or part of the performance bond or deposit within sixty (60) days from the filing of the request, if no public hearing is held pursuant to subsection (6) of this section, and if there has been a public hearing held pursuant to subsection (6) of this section, within thirty (30) days thereafter.

(5)(b) If the department disapproves the application for release of the bond or portion thereof, the department shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to serve said release and allowing opportunity for a public hearing.

(6) Any person having a valid legal interest which might be adversely affected by release of the bond, and the responsible officer or head of any governmental agency so designated by department regulations, shall have the right to file written objections to the proposed bond release with the department, and to request a hearing in accordance with procedural regulations promulgated by the department.

Section 11. KRS 350.095 is amended to read as follows:

The operator shall assume responsibility for successful revegetation as required in KRS 350.435 for such a period as defined pursuant to regulations promulgated by the department. Such regulations shall include provisions to assure compliance with KRS 350.435, 350.093 and other applicable provisions. The department may by regulation set forth different requirements when it approves a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan. [After the operation has been backfilled, graded and approved by the department, the operator shall prepare the soil and plant vegetation upon the area of the land affected in order to provide a suitable vegetative cover. The seed or plant mixtures, quantities, method of planting, type and amount of lime or fertilizer, and any other measures necessary to provide a suitable vegetative cover shall be defined by regulations of the department.]

Section 12. KRS 350.100 is amended to read as follows:

(1) It shall be the duty of an operator to commence the reclamation of the area of land affected by his operation as *contemporaneously as practicable* [soon as possible] after the beginning of *operations on* [strip mining of] that area in accordance with plans previously approved by the department.[, and to complete such reclamation within twelve (12) months after the permit has expired except that] Such grading, backfilling and water management practices that are approved in the plans shall be kept current with the operation as defined by regulations of the department and no permit *renewal or revision* [or supplement to a permit shall] be issued, if *under the regulations* [in the discretion] of the department, these practices are not current;

(2) If an investigation indicates that planting so as to provide vegetative cover of an area of land affected by *surface coal* [strip] mining may not be successful, *consistent with subsection (1)* the department may authorize the operator to defer such planting until the soil *and/or weather* has become suitable for such purposes [and a yearly report shall be filed with the department indicating the soil conditions until a successful planting or seeding has been completed. It may authorize the operator, with the approval of the department, to do planting to provide vegetative cover for a different area of land in lieu of that covered by his permit. Such different area of land must be land affected by strip mining in the past which has soil that has become suitable for planting, of not less acreage than the land covered by the permit. An application by the operator for authority to plant a different area of land shall identify the different area and shall be accompanied by a map showing its location, area and boundaries. The application shall be accompanied by the written consent of the owner of the land covered by the permit to release the operator from his obligation to provide a vegetative cover for the land covered by the permit. If the division grants the application for the planting of a different area of land and the planting is carried out in accordance with its orders, the operator shall be relieved of his obligation to provide a vegetative cover for the area of land affected by his operation for which a different area of land has been substituted].

Section 13. KRS 350.110 is amended to read as follows:

If the department authorizes an operator to defer planting to provide vegetative cover for an area of land, it shall set the time within which such planting shall be carried out. If the operator has carried out on that area of land the method of operation, *drainage control,* backfilling, grading and reclamation plans approved by the department other than the planting, the department shall issue to the operator and to his surety a release of his surety bond or other securities held on deposit for each acre of land for which such method of operation, backfilling, grading, and reclamation have been carried out, *as provided in the schedule for bond release set forth in KRS 350.093* [and the soil ph level required by department regulations has been satisfied, less the sum of three hundred dollars ($300) for each acre, but in no case shall the bond be reduced below two thousand dollars ($2,000) except as provided in KRS 350.060]. The remaining amount of the bond [of three hundred dollars ($300)] for each acre of land affected shall remain in the possession of the department until a satisfactory *reclamation* [planting] plan has been carried out, or until it has been forfeited by the operator. If the remainder is forfeited, it shall be expended by the department in a planting program for the area of land for which it has been posted; unless the surface rights have been severed from the mineral rights, in which case the remainder of the forfeited bond shall be paid to the surface owner for expenditure in a planting program for the area of land for which the bond has been posted; provided, that no payment shall be made until the planting has been accomplished in the manner required by the department, to the extent of available forfeited funds, and no payment shall be made beyond the actual cost of planting. Provided further, that this section shall not apply in cases where the owner does not desire or is unable to accomplish the work in the manner required by the department. If the operator does not meet the planting requirements but does not want his bond forfeited, he may pay to the department a sufficient sum to cover the remaining reclamation costs and the bond filed by him as surety may then be released by the department.

Section 14. KRS 350.130 is amended to read as follows:

(1) *When any of* [If] any of the requirements of this chapter or rules or regulations adopted pursuant thereto or the orders of the department have not been complied with [within the time limits set by the department or by this chapter], the department shall *forthwith* cause a notice of noncompliance to be *issued* [served] upon the operator.[, or] *The department shall set forth in its notice a reasonable time period but not more than ninety (90) days for the abatement of the violation. If any person or operator has not abated the violation within the time prescribed in the notice of noncompliance, the secretary or other authorized personnel of the department shall issue to said operator or person an order for immediate compliance and cessation of any mining activities or operations which are contributing to the violation. Such order shall require the person or operator to abate the violation in the most expeditious manner possible. The secretary is authorized to promulgate reasonable regulations for the implementation of this section.* Where found necessary, the secretary shall after hearing (except as provided in KRS 224.071) order the suspension of a permit or operation. Such notice or order shall be handed to the person in charge of the operation, and the operator in person or *sent* [served] by certified mail, return receipt requested or by registered mail addressed to the permanent address shown on the application for a permit or if no address is shown on the application, then to the address known to the department. The notice of noncompliance or order of suspension shall specify in what respects the operator has failed to comply with this chapter or the regulations or orders of the department. If the operator has not reached an agreement with the department or has not complied with the requirements set forth in the notice of noncompliance or order of suspension within time limits set therein, the permit may be revoked or the operation terminated, after hearing, by order of the department and the performance bond, if any, shall then be forfeited to the department, except as provided in subsection (2) of this section and in KRS 350.110.

(2) When a bond is forfeited pursuant to the provisions of this chapter, the secretary shall give notice to the attorney general, who shall collect the forfeiture. Bond forfeitures collected in cases where the surface rights have been severed from the mineral rights shall be paid to the surface owner for the purpose of reclaiming in accordance with the provisions of this chapter the same area of land included under the bond; provided, that no payment shall be made until the reclamation has been accomplished in the manner required by the department, to the extent of available forfeited funds, and no payment shall be made beyond the actual cost of reclamation. Provided further, that this section shall not apply in cases where the owner *cannot be located, or* does not desire or is unable to accomplish the work in the manner required by the department.

(3) An operator or person whose mining permit or operation has been revoked, suspended, or terminated *or is at the time of the application in violation of this chapter or other applicable requirements as set forth in KRS 350.085* shall not be eligible to receive another permit or begin another operation or to have suspended permits or operations reinstated until he shall have complied with all the requirements of this chapter *or submitted proof satisfactory to the department under Section 8 of this Act that such violation has been corrected or is in the process of being corrected* in respect to all permits issued him, provided, further, that no operator or person shall be eligible to receive another permit or begin another operation who has forfeited any bond unless the land for which the bond was forfeited has been reclaimed without cost to the state or the operator or person has paid such sum as the department finds is adequate to reclaim such lands. The department shall not issue any [additional] permits to or allow future operations by any operator or person who has *demonstrated a pattern of willful violations of this chapter of such nature and duration with such resulting irreparable damage to the environment as to indicate an intent not to comply with the*

provisions [repeatedly been in noncompliance or violation] of this chapter, or who has permits revoked or operations terminated on more than three (3) occasions *provided that no permit shall be denied on this basis without an opportunity for a hearing. The secretary shall promulgate regulations which implement this section. For the purposes of this section, if a corporate permittee has demonstrated a pattern of willful violations, then any subsequent application for a permit by that corporation, or any person who controls or has controlled that corporation, shall be denied.*

(4) Whenever the secretary or authorized representatives of the department, pursuant to the general authority of KRS 224.071, exercises such authority to order the discontinuance, abatement, alleviation, or cessation of conditions or operations which present a danger to the health or welfare of the people or which result in or are likely to result in damage to natural resources or the environment in exercise of the secretary's enforcement powers and authority under this chapter, the secretary, or an authorized representative of the department, after inspection shall immediately order the cessation of such condition or operation when he determines that the condition or operation creates an imminent danger to the health or safety of the public or that the condition or operation is causing or can reasonably be expected to cause significant imminent environmental harm in violation of this chapter or the regulations pursuant to this chapter, or any permit condition. For purposes of this subsection, "imminent danger to the health and safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose himself or herself to the danger during the time necessary for abatement.

(5) Each provision of this section shall be interpreted and applied consistently with due process of law.

(6) The secretary, or authorized representatives of the department, shall have the power to vacate, amend, modify, or terminate notices of noncompliance and cessation orders, pursuant to regulations promulgated by the department.

Section 15. KRS 350.135 is amended to read as follows:

(1) *No permit issued pursuant to this chapter shall be transferred by sale, assignment, lease, or otherwise except upon the written approval of the department.* [Where one operator succeeds another at any uncompleted operation, either by sale, assignment, lease or otherwise,] The department may release the first operator from all liability under this chapter as to that particular operation: Provided, however, That the successor operator has been issued a permit and has otherwise complied with the requirements of this chapter, and the successor operator assumes as part of his obligation under this chapter, all liability for the reclamation of the area of land affected by the former operator.

(2) *If the department has given its written approval to the transfer, a* successor in interest to a permittee who applies for a new permit within *one hundred and twenty (120)*[thirty (30)] days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue *surface coal* [strip] mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(3) The department may promulgate reasonable regulations and administrative procedures to implement this section.

Section 16. KRS 350.150 is amended to read as follows:

(1) In the reclamation of land affected by *surface coal* [strip] mining *operations* for which it has funds available, the department may avail itself of any services which may be provided by other state agencies or by agencies of the federal government, and may compensate them for such services. The department may also receive any federal funds, state funds or any other funds for the reclamation of land affected by *surface coal* [strip] mining *operations*. The department may cause the reclamation work to be done by its own employes or by employes of other governmental agencies, soil conservation districts, or through contracts with qualified persons. Such contracts shall be awarded to the lowest responsible bidder upon competitive bids after reasonable advertisement. The department and any other agency and any contractor under a contract with the department shall have the right of access to the land affected to carry out such reclamation.

(2) Any funds available to the department and any public works program (both funds and services) may be used and expended to reclaim and rehabilitate any lands that have been subjected to *surface coal* [strip] mining *operations* that have not been reclaimed and rehabilitated in accordance with standards set by this chapter or regulations thereunder and which are not covered by bond to guarantee such reclamation.

(3) A person or organization, having qualifications acceptable to the department, may post bond or a cash deposit, in a sum determined by the department, and assume the liability for carrying out the reclamation plan approved by the department in areas where the mining operation and any necessary grading and backfilling have been completed. The department shall then release the bond posted by the operator for such area.

Section 17. KRS 350.151 is amended to read as follows:

(1) The department for natural resources and environmental protection shall promulgate *permanent program* rules and regulations for the *mining and* reclamation of land disturbed or removed by operations resulting from or incident to a mine as defined in KRS 352.010(1)(t). Such regulations shall recognize the distinct differences between the surface effects of underground mining and strip mining, and shall be promulgated pursuant to this *chapter* [section only], and shall be enforced as provided in KRS 350.130 and 350.990. Those activities may include, but not be limited to, the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and all lands affected by haulage, excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface but said regulations shall not be more stringent than those applied to strip mining.

(2) The operator shall file with the department a bond payable to the Commonwealth of Kentucky with surety satisfactory to the department in the penal sum to be determined by the department [on the recommendation of the secretary of not less than five hundred dollars ($500) nor more than three thousand dollars ($3,000)] for each acre or fraction thereof of the area of land affected, with a minimum bond of *ten thousand dollars ($10,000)* [five thousand dollars ($5,000)] conditioned upon the faithful performance of the requirements set forth in this section and of the rules and regulations of the department. The department shall accept, in lieu of the surety provided herein, the deposit by the operator of United States government securities, cash, or its equivalent in a sum equal to the principal amount of the required bond, *or a self bond pursuant to regulations promulgated by the department.*

(3) In order to protect the stability of the land, the department shall suspend underground mining activities under urbanized areas, and adjacent to industrial or commercial buildings, major impoundments, or permanent streams, if the department finds imminent danger to inhabitants of said urbanized areas.

SECTION 18. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created within the Commonwealth of Kentucky an abandoned mine lands program, to be administered within the department for natural resources and environmental protection. The secretary of the department for natural resources and environmental protection is authorized to promulgate regulations necessary to implement this program. The provisions of KRS 350.150, 350.152, 350.154, 350.156(1) and (2), 350.158, 350.161, and 350.163 shall not be applicable to this program.

(2) The department of finance is hereby directed to establish a fund to be known as the abandoned mine reclamation fund (hereinafter referred to as the "fund").

(3) The fund shall consist of amounts deposited in the fund from time to time, including but not limited to:

(a) The reclamation fees levied pursuant to Section 402 of P.L. 95-87 and allocated to the Commonwealth of Kentucky;

(b) Any income derived from or any user charge imposed on or for land reclaimed pursuant to the abandoned mine lands program after the expenses of the program have been deducted;

(c) Donations by persons, corporations, associations, governmental entities and foundations for the purposes of the abandoned mine lands program; and

(d) All other monies as provided for consistent with this chapter.

(4) Monies in the fund may be used for the following purposes:

(a) Reclamation and restoration of land and water resources adversely affected by past coal mining, including but not limited to reclamation and restoration of abandoned surface mine areas, abandoned coal processing areas, and abandoned coal refuse disposal areas; sealing and filling of abandoned deep mine entries and voids; planting of land adversely affected by past coal mining to prevent erosion and sedimentation; prevention, abatement, treatment, and control of water pollution created by coal mine drainage, including restoration of stream beds, and construction and operation of water treatment plants; prevention, abatement, and control of burning coal refuse disposal areas and burning coal in situ; and prevention, abatement, and control of coal mine subsidence;

(b) Acquisition and filling of voids and sealing of tunnels, shafts, and entryways;

(c) Acquisition of land as provided for in this Act;

(d) Studies by state agencies, by contract with public and private organizations to provide information, advice, and technical assistance, including research and demonstration projects, conducted for the purposes of this program;

(e) Restoration, reclamation, abatement, control, or prevention of adverse effects of coal mining which constitute an emergency as provided for in this program;

(f) Administrative expenses of the program to accomplish the purposes of this program; and

(g) All other necessary expenses to accomplish the purposes of this program.

SECTION 19. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

Expenditure of monies from the fund on lands and water eligible pursuant to Section 21 for the purposes of the abandoned mine lands program shall reflect the following priorities in the order stated:

(1) The protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices;

(2) The protection of public health, safety, and general welfare from adverse effects of coal mining practices;

(3) The restoration of land and water resources and the environment previously degraded by adverse effects of coal mining practices, including measures for the conservation and development of soil, water (excluding channelization), and woodland resources, fish and wildlife, recreation resources, and economic productivity;

(4) Research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques;

(5) The protection, repair, replacement, construction, or enhancement of public facilities such as utilities, roads, and recreation and conservation facilities adversely affected by coal mining practices; and

(6) The development of publicly owned land adversely affected by coal mining practices, including land acquired for reclamation as provided in the abandoned mine lands program for recreation and historic purposes, conservation, and open space benefits.

SECTION 20. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

Lands and water eligible for reclamation or drainage abatement expenditures under the abandoned mine lands program are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and were abandoned or left in an inadequate reclamation status prior to August 3, 1977, and for which there is no continuing reclamation responsibility under the provisions of this chapter.

SECTION 21. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

The department for natural resources and environmental protection shall have the authority to prepare and submit to the secretary, United State department of the interior, reclamation plans, annual projects, applications for federal support, and any other reports or plans which are provided for or required pursuant to title IV of the surface mining control and reclamation act of 1977 (P.L. 95-87).

SECTION 22. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) If the department makes a finding of fact pursuant to the abandoned mine lands program that:

(a) Land or water resources have been adversely affected by past coal mining practices; and

(b) The adverse effects are at a stage where, in the public interest, action to restore, reclaim, abate, control, or prevent should be taken; and

(c) The owners of the land or water resources where entry must be made to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices are not known or readily available; or

(d) The owners will not give permission for the United States, the Commonwealth, political subdivisions, or their agents, employes, or contractors to enter upon such property to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices; then, upon giving notice by mail to the owners if known, or if not known, by posting notice upon the premises and advertising once in a newspaper of general circulation in the municipality or county in which the land lies, the department and its authorized representatives, agents, and contractors shall have the right to enter upon the property adversley affected by past coal mining practices, and any other property to have access to such property to do all things necessary or expedient to restore, reclaim, abate, control, or prevent the adverse effects. Such entry shall be construed as an exercise of the police power for the protection of public health, safety, and general welfare and shall not be construed as an act of condemnation of property nor of trespass thereon. The monies expended for such work and the benefits accruing to any such premises so entered upon shall be chargeable against such land and shall mitigate or offset any claim in or any action brought by any owner of any interest in such premises for any alleged damages by virtue of such entry: provided, however, that this provision is not intended to create new rights of action or eliminate existing immunities.

(2) The department and its authorized representatives, agents, and contractors shall have the right to enter upon any property for the purpose of conducting studies or exploratory work to determine the existence of adverse effects of past coal mining practices and to determine the feasibility of restoration, reclamation, abatement, control, or prevention of such adverse effects. Such entry shall be construed as an exercise of the police power for the protection of public health, safety, and general welfare, and shall not be construed an an act of condemnation of property nor trespass thereon.

(3) The Commonwealth shall have the power to acquire, by purchase, donation, devise, or condemnation, any land which is adversely affected by past coal mining practices if acquisition of such land is necessary for successful reclamation and that:

(a) The acquired land, after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices, will serve recreation and historic purposes, conservation and reclamation purposes or provide open space benefits; or

(b) Permanent facilities such as a treatment plant or a relocated stream channel will be constructed on the land for the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices; or

(c) Acquisition of coal refuse disposal sites and all coal refuse thereon will serve the purposes of this Act or that public ownership is desirable to meet emergency situations and prevent recurrences of the adverse effects of past coal mining practices.

(4) Title to all lands acquired pursuant to this section shall be in the name of the Commonwealth. The price paid for the land acquired under this section shall reflect the market value of the land as adversely affected by past coal mining practices. The Commonwealth may exercise the power of eminent domain against such land by filing a condemnation suit under the procedure of the eminent domain act of Kentucky. Provided, that when the Commonwealth acquires land adversely affected by past coal mining practices pursuant to the abandoned mine lands program and when such abandoned mine reclamation fund monies are less than the purchase price, the Commonwealth shall be authorized to use whatever funds are available pursuant to KRS 350.156(3).

(5) The department for natural resources and environmental protection may receive any federal, state, or other funds for the purpose of reclaiming lands affected by past coal mining practices, including federal funds made available to it pursuant to title IV of the surface mining control and reclamation act of 1977 (P.L. 95-87). The department may avail itself of any services which may be provided by other state agencies or the federal government, and may compensate them for such services.

(6) The department shall have the power to backfill, grade, revegetate, and perform other acts of restoration and reclamation on lands acquired pursuant to this section. The department may cause the reclamation work to be done by its own employes or by employes of other governmental agencies or soil conservation districts, or through contracts with qualified persons. Such contracts shall be awarded pursuant to regulation promulgated by the department. The department and any other agency and any contractor under a contract with the department shall have the right of access to the land affected to carry out such reclamation.

(7) Where land acquired pursuant to this section is deemed to be suitable for industrial, commercial, residential, or recreational development, the Commonwealth shall have the power to sell such land by public sale under a system of competitive bidding, at not less than fair market value and under such regulations as may be promulgated to insure that such lands are put to proper use consistent with local and state land use plans, if any. The proceeds of any such sale shall be credited to the abandoned mine reclamation fund. The department, when requested after appropriate public notice, shall hold a public hearing, with the appropriate notice, in the county or counties in which lands acquired pursuant to this section are located. The hearings shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use or disposition of the lands after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices.

(8) In addition to the authority to acquire and reclaim land for the purposes set forth in subsection (3) of this section, the Commonwealth is given authority to use money in the fund to acquire land by purchase, donation, devise, or condemnation and to reclaim such land and to transfer it to any political subdivision of the Commonwealth or to any person, firm, association, or corporation, if such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons disabled as the result of employment in the mines or work incidental thereto, persons displaced by acquisition of land pursuant to this section, persons dislocated as the result of adverse effects of coal mining practices which constitute an emergency as provided in Section 25 of this Act, or persons dislocated as the result of natural disasters or catastrophic failures from any cause, or any related commercial, industrial, agricultural, recreational, or governmental use facilities. Such activities shall be accomplished under such terms and conditions as the Commonwealth shall require, which may include transfers of land with or without monetary consideration. Provided, that to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such persons, firm, association, or corporation. No part of the funds provided under the abandoned mine reclamation fund may be used to pay the actual construction costs of housing.

(9) All acquisitions and disposals of land or any interests therein pursuant to the authority granted by this section shall be governed by the applicable provisions of KRS Chapters 45 and 56.

SECTION 23. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) Within six (6) months after the completion of projects to restore, reclaim, abate, control, or prevent adverse effects of past coal mining practices on privately owned land, the department shall itemize the monies so expended and may file a statement thereof in the office of the county in which the land lies which

has the responsibility under local law for the recording of judgments against land, together with a notarized appraisal by an independent appraiser of the value of the land before the restoration, reclamation, abatement, control, or prevention of adverse effects of past coal mining practices if the monies so expended shall result in a significant increase in property value. Such statement shall constitute a lien upon the said land. The lien shall not exceed the amount determined by the appraisal to be the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices. No lien shall be filed against the property of any person, in accordance with this section, who owned the surface prior to May 2, 1977, and who neither consented to nor participated in nor exercised control over the mining operation which necessitated the reclamation performed hereunder. The department may waive the lien consistent with its regulations.

(2) The landowner may proceed as provided by local law to petition within sixty (60) days of the filing of the lien, to determine the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices. The amount reported to be the increase in value of the premises shall constitute the amount of the lien and shall be recorded with the statement herein provided. Any party aggrieved by the decision may appeal as provided by local law.

(3) The lien provided in this section shall be entered in the county office in which the land lies and which has responsibility under local law for the recording of judgments against land. Such statement shall constitute a lien upon the said land as of the date of the expenditure of the monies and shall have priority as a lien second only to the lien of real estate taxes imposed upon said land.

SECTION 24. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The department is authorized to fill voids, seal abandoned tunnels, shafts, and entryways, and reclaim surface impacts of underground or surface mines which the secretary determines could endanger life and property, constitute a hazard to the public health and safety, or degrade the environment, with such monies as may become available under the abandoned mine reclamation fund.

(2) The Commonwealth may acquire by purchase, donation, devise, easement, or otherwise such interest in land as necessary to carry out the provisions of this section and may dispose of acquired land in a manner consistent with the purposes of the abandoned mine lands program.

SECTION 25. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The department is authorized to expend monies from the fund for the emergency restoration, reclamation, abatement, control, or prevention of adverse effects of coal mining practices, on eligible lands, if the department makes finding of fact that:

(a) An emergency exists constituting a danger to the public health, safety, or general welfare; and

(b) No other person or agency will act expeditiously to restore, reclaim, abate, control, or prevent the adverse effects of coal mining practices.

(2) The department, its agents, employes, and contractors shall have the right to enter upon any land where the emergency exists and any other land to have access to the land where the emergency exists to restore, reclaim, abate, control, or prevent the the adverse effects of coal mining practices and to do all things necessary or expedient to protect the public health, safety, or general welfare. Such entry shall be construed as an exercise of the police power and shall not be construed an an act of condemnation of property nor of trespass thereof. The monies expended for such work and the benefits accruing to any such premises so entered upon shall be chargeable against such land and shall mitigate or offset any claim in or any action brought by any owner of any interest in such premises for any alleged damages by virtue of such entry. Provided, however, that this provision is not intended to create new rights of action or eliminate existing immunities.

SECTION 26. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The department shall have the power and authority, if not granted it otherwise, to engage in any work and to do all things necessary or expedient, including promulgation of rules and regulations, to implement and administer the provisions of the abandoned mine lands program.

(2) The department shall have the power and authority to engage in cooperative projects under the program with any agency of the United States, any state and their governmental agencies.

(3) The department may initiate, in addition to any other remedies provided for in this chapter, in any court of competent jurisdiction, an action in equity for an injunction to restrain any interference with the exercise of the right to enter or to conduct any work provided in the abandoned mine lands program.

(4) The department shall have the power and authority to construct and operate facilities for the control and treatment of water pollution resulting from mine drainage. The extent of this control and treatment may be dependent upon the ultimate use of the water: provided, that the above provisions of this subsection shall not be deemed in any way to repeal or supersede any portion of the federal water pollution control

act (33 U.S.C.A. 1151, et seq. as amended) and no control or treatment under this subsection shall in any way be less than that required under the federal water pollution control act. The construction of facilities may include major interceptors and other facilities appurtenant thereto.

(5) The department may transfer funds to other appropriate state agencies, in order to carry out the reclamation activities authorized by the abandoned mine lands program.

Section 27. KRS 350.156 is amended to read as follows:

(1) After restoration of the acquired land, the department of environmental protection may, with the approval of the governor, transfer jurisdiction of such land, or any portion thereof, to any state agency that can best utilize such land for public purposes.

(2) If the retention of such land is determined to be impractical, the department of environmental protection, may, with the approval of the governor, sell such land to political subdivisions of the commonwealth at the cost of acquisition and restoration or public sale to the highest bidder. Such land shall be sold subject to the condition that no strip mining shall be carried on thereon at any time thereafter. The proceeds of any such sale shall be credited to a revolving fund within the department.

(3) Whenever the department expends funds pursuant to this section in order to satisfy the total purchase price for lands purchased pursuant to Section 22 of this Act, the department may return to the revolving fund any monies so used upon resale or other transfer of such land.

Section 28. KRS 350.200 is amended to read as follows:

All *surface coal mining operations* [strip mines] operating under a permit from the division shall display appropriate signs *at the entrances, clearly setting forth the name, business address, phone number of the permittee and the permit number of the surface coal mining and reclamation operations, as required by regulations of the department* [at the points of access to each operation adjacent to the nearest public highway. These signs shall be at least two (2) feet by four (4) feet, constructed of a wooden or other durable material, and clearly identify the name of the operator and number of his strip mining permit]. Such signs shall be maintained during the life of the operation. [Failure to post such sign shall be grounds for the revocation of the permit.]

Section 29. KRS 350.250 is amended to read as follows:

Any citizen of this Commonwealth having knowledge that any of the provisions of this chapter or regulations adopted thereunder are [wilfully and deliberately] not being enforced by any public officer or employe, whose duty it is to enforce such provisions of this chapter and regulations thereunder, may bring such failure to enforce the law to the attention of such public officer or employe. To provide against unreasonable and irresponsible demands being made, all such demands to enforce the law must be in writing, under oath, with facts set forth specifically stating the nature of the failure to enforce the law. [Any person who wilfully and knowingly states false facts and charges in such affidavit shall be subject to penalties provided under the law for perjury.] If such public officer or employe neglects or refuses for any unreasonable time *but in no event longer than sixty (60) days* after demand to enforce such provision, any such citizen shall have the right to bring an action of mandamus in the circuit court of the county in which the operation which relates to the alleged lack of enforcement is being conducted*; Provided, that any action pursuant to this section may be brought immediately after a demand for enforcement when the violation or order complained of constitutes an imminent threat to the health or safety of the complaining citizen or would immediately affect a legal interest of the complaining citizen.* The court, if satisfied that any provision of this chapter or regulation thereunder is not being enforced, shall make an appropriate order compelling the public officer or employe, whose duty it is to enforce such provision, to perform his duties, and upon failure to do so such public officer or employe shall be held in contempt of court and shall be subject to the penalties provided by the laws of the Commonwealth in such cases.

(2) The court having jurisdiction of a complaint made pursuant to subsection (1) of this section may in its final order award costs of litigation (including attorney and expert witness fees) to any party, whenever the court determines such an award is appropriate.

(3) Any person who is or may be adversely affected by the violation by any person of any rule, regulation, order or permit issued pursuant to this chapter may bring a civil action (including reasonable attorney and expert witness fees) in the circuit court of the county in which the surface coal mining operation complained of is located.

Section 30. KRS 350.410 is amended to read as follows:

Except as provided in KRS 350.450(2)(a) to (e), the operator shall with respect to all *surface coal* [strip] mining operations backfill compact, (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this chapter); provided, however, that in *surface coal* [strip] mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region; and, provided further, that in *surface coal* [strip] mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and shall be revegetated in accordance with the requirements of this chapter.

Section 31. KRS 350.420 is amended to read as follows:

The operator shall minimize disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after *surface coal* [strip] mining operations and during reclamation by:

(1) Avoiding acid or other toxic mine drainage by such measures as, but not limited to:

(a) Preventing or removing water from contact with toxic producing deposits;

(b) Treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses; and

(c) Casing, sealing, or otherwise managing boreholes, shafts, and wells and keeping acid or other toxic drainage from entering ground and surface waters;

(2) Conducting *surface coal* [strip] mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow, or runoff outside the permit area, but in no event shall contributions be in excess of requirements set by applicable state or federal law;

(3) Constructing any siltation structures pursuant to subsection (2) of this section prior to commencement of *surface coal* [strip] mining operations, such structures to be certified by a qualified registered engineer to be constructed as designed and as approved in the reclamation plan;

(4) Cleaning out and removing temporary or large settling ponds or other siltation structures from drainways after disturbed areas are revegetated and stabilized, and depositing the silt and debris at a site and in a manner approved by the department;

(5) Restoring recharge capacity of the mined area to approximate premining conditions;

(6) Avoiding channel deepening or enlargement in operations requiring the discharge of water from mines; and

(7) Such other actions as the department may prescribe.

Section 32. KRS 350.440 is amended to read as follows:

The operator shall place all excess spoil material resulting from *surface coal* [strip] mining and reclamation *operations* [activities] pursuant to *this chapter* [KRS 350.445(2)] in the following manner:

(1) Spoil is transported and placed in a controlled manner in position for concurrent compaction and in such a way as to assure mass stability and to prevent mass movement;

(2) The areas of disposal are within the bonded permit areas and all organic matter shall be removed immediately prior to spoil placement;

(3) Appropriate surface and internal drainage systems and diversion ditches are used so as to prevent spoil erosion and movement;

(4) The disposal area does not contain springs, natural water courses, or wet-weather seeps unless lateral drains are constructed from the wet area to the main underdrains in such a manner that filtration of the water into the spoil pile will be prevented;

(5) If placed on a slope, the spoil is placed upon the most moderate slope among those upon which, in the judgment of the department, the spoil could be placed in compliance with all the requirements of this chapter and shall be placed, where possible, upon, or above, a natural terrace, bench, or berm, if such placement provides additional stability and prevents mass movement;

(6) Where the toe of the spoil rests on a downslope, a rock toe buttress of sufficient size to prevent mass movement is constructed;

(7) The final configuration is compatible with the natural drainage pattern and surroundings and suitable for intended uses;

(8) Design of the spoil disposal area is certified by a qualified registered professional engineer in conformance with professional standards; and

(9) All other provisions of this chapter are met.

Section 33. KRS 350.450 is amended to read as follows:

(1) If the area proposed to be mined contains prime farmland as defined in Public Law 95-87, "surface mining control and reclamation act of 1977," then no permit shall be issued unless it complies with Section 510(d)(1) therein. Nothing in this subsection shall apply to any permit issued prior to August 3, 1977, or to any revisions or renewals thereof, or to any existing *surface coal* [strip] mining operations for which a permit was issued prior to August 3, 1977. Nothing herein shall be construed as authorizing the department to promulgate regulations more stringent than those promulgated pursuant to PL 95-87 relating to prime farmland.

(2) Where a strip mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, the operation shall comply with the requirements of subsections (2)(c) and (d) of this section without regard to the requirements of KRS 350.410 or 350.445(2) and (3) with respect to lands from which overburden and the coal seam being mined have not been removed; provided, however, the department shall establish internal procedures pursuant to which it shall permit strip mining operations for the purposes set forth in subsection (2)(b) of this section.

(a) Where an applicant meets the requirements of subsections (2)(b) and (c) of this section a permit without regard to the requirements to restore to approximate original contour set forth in KRS 350.410 or 350.445(2) and (3) may be granted for the *surface coal* [strip] mining *operations* [of coal] where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill, except as provided in subsection *(c)(1)* [(3)(d)] of this section, by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining and capable of supporting postmining uses in accord with the requirements of this subsection.

(b) In cases where an industrial, commercial, agricultural, residential, or public facility *(*[,]including recreational facilities*)*[,] use is proposed for the postmining use of the affected land, the department may grant a permit for a *surface coal* [strip] mining operation of the nature described in subsection (2)(a) of this section where:

1. After consultation with the appropriate land use planning agencies, if any, the proposed postmining land use is deemed by the department to constitute an equal or better economic or public use of the affected land as compared with premining use;

2. The applicant presents specific plans for the proposed postmining land use and appropriate assurances that the land use will be:

a. Compatible with adjacent land uses;
b. Obtainable according to data regarding expected need and market;
c. Assured of investment in necessary public facilities;
d. Supported by commitments from public agencies where appropriate;
e. Practicable with respect to private financial capability for completion of the proposed use;
f. Planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and
g. Designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

3. The proposed use would be consistent with adjacent land uses and existing state and local land use plans; and

4. The department provides the governing body of the unit of general-purpose government in which the land is located, and any state or federal agency which the department in its discretion determines to have an interest in the proposed use, an opportunity of not more than thirty (30) days to review and comment on the proposed use; and

5. All other requirements of this chapter will be met.

(c) In granting any permit pursuant to this subsection the following requirements apply:

1. The toe of the lowest coal seam and the overburden associated with it are retained in place as a barrier to slides and erosion;

2. The reclaimed area is stable;

3. The resulting plateau or rolling contour drains inward from the outslopes except at specified points;

4. No damage will be done to natural watercourses;

5. Spoil will be placed on the mountaintop bench as is necessary to achieve the planned postmining land use; provided, that all excess spoil material not retained on the mountaintop shall be placed in accordance with the provisions of KRS 350.440; and

6. Insure stability of the spoil retained on the mountaintop and meet the other requirements of this chapter.

(d) The *regulatory authority shall promulgate specific regulations to govern the granting of permits in accord with the provisions of this subsection* [requirements of all regulations promulgated under this subsection are met].

(e) All permits granted under the provisions of this subsection shall be reviewed not more than three (3) years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(3) (a) The department shall adopt procedures pursuant to which it may permit variances *from the requirements of KRS 350.410* for the purposes set forth in subsection (3)(c) of this section, provided that the watershed control of the area is improved, and further provided, complete backfilling with spoil material shall be required to cover completely the highwall, which material will maintain stability following mining and reclamation.

(b) Where an applicant meets the requirements of subsection (3)(c) of this section, a variance from the requirement to restore the approximate original contour set forth in KRS *350.410 and* 350.445(2) may be granted for *surface coal mining operations* [the strip mining of coal] where the owner of the surface knowingly requests in writing, as a part of the permit application, that such a variance be granted so as to render the land, after reclamation, suitable for an industrial, commercial, residential, or public use, including recreational facilities[, in accord with the further provisions of subsections (3)(c) and (d) of this section].

(c) After consultation with the appropriate land use planning agencies, if any, the potential use of the affected land shall:

1. Be deemed by the department to constitute an equal or better economic or public use;
2. Be designed and certified by a qualified registered professional engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site; and
3. The watershed of the affected land be deemed by the department to be improved.

(d) In granting a variance pursuant to subsection (3)*(b)* of this section, the department shall require that only such amount of spoil will be placed off the mine bench as is necessary to achieve the planned postmining land use, insure stability of the spoil retained on the bench, meet all other requirements of this chapter, and require all spoil placement off the mine bench to comply with KRS 350.440.

(e) The department shall promulgate specific regulations as it deems necessary, if any, to govern the granting of variances in accord with the provisions of this subsection and may impose such additional requirements as it deems to be necessary.

(f) All exceptions granted under the provisions of this subsection shall be reviewed not more than three (3) years from the date of issuance of the permit, unless the permittee affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the reclamation plan.

(4) Strip and underground coal mining operations in operation pursuant to a permit issued before August 4, 1977, issued to a person as defined in KRS 350.010(7) in existence prior to May 2, 1977, and operated by a person whose total annual production of coal from surface [and underground] coal mining operations does not exceed one hundred thousand (100,000) tons shall not be subject to the provisions set forth in KRS 350.400 and subsection (2) of this section, except with reference to the provision of KRS 350.445(1), until January 1, 1979. The department shall certify qualified applicants pursuant to this subsection.

(5) The department shall adopt programs, regulations, and procedures designed to provide technical assistance to assist the small coal operator with the permitting and environmental protection performance standards for *surface* [strip and underground] coal mining operations within the Commonwealth. Such programs shall be directed towards eliminating delays in the processing of permits by establishing a special administrative program to review small operator's permit applications and by establishing a procedure for providing the small operator access to special technical services necessary for completing the permit application. For the purposes of this subsection, a small coal operator is one who is anticipated to mine less than 200,000 tons per year, and the department in determining tonnage for qualification shall consider all production from common ownership of other corporations or operations. Upon written notification by the small coal operator to the department stating that no more mining will take place under a permit, the department shall release a portion of the bond in accordance with KRS 350.070. In making its determinations pursuant to KRS 350.070 the department shall:

(a) Determine the percentage of the permitted acreage in the area of reduction in relation to the initial acreage of the permit;

(b) Examine the land which has been disturbed and estimate the cost of reclamation;

(c) When the estimated cost of reclamation does not exceed *ten* [five] thousand dollars *($10,000)* [($5,000)] then the department shall return all bond money in excess of the *ten* [five] thousand dollars *($10,000)* [($5,000)];

(d) When the estimated cost of reclamation exceeds *ten* [five] thousand dollars *($10,000)* [($5,000)] the department shall retain the amount estimated and shall return all bond money in excess of the estimated amount but in no case shall the department return more than the amount determined by multiplying the percentage determined under paragraph (a) of this subsection times the original total bond amount.

Section 34. KRS 350.465 is amended to read as follows:

(1) The provisions of this section and regulations promulgated pursuant thereto (except with regard to the mining of clay, limestone, sand, gravel, fluorspar, stone, and rock asphalt) shall apply to the regulation of all surface coal mining and reclamation operations in the Commonwealth in the event that the Commonwealth receives from the United States department of interior and pursuant to the surface mining control and reclamation act of 1977 (PL 95-87) approval of a permanent state regulatory program, and the Commonwealth has promulgated regulations pursuant to this section.

(2) The department for natural resources and environmental protection is hereby authorized and directed to prepare, develop and promulgate a comprehensive permanent regulatory program for the implementation of the surface mining control and reclamation act of 1977 (PL 95-87) for the purpose of accepting and administering primary enforcement responsibilities pursuant to that act. The implementation of this section shall contain procedures similar to the surface mining control and reclamation act of 1977 (PL 95-87) and shall require surface coal mining operation performance standards no more stringent than provided for in that act. Nothing herein shall be construed to empower the department to adopt a regulatory program in conflict with the policy and purposes of the surface mining control and reclamation act of 1977 (PL 95-87). To that end, the department for natural resources and environmental protection shall include in its permanent regulatory program:

(a) Environmental protection performance standards to prevent or minimize the adverse environmental effects of surface coal mining and reclamation operations on the land and water resources of the Commonwealth.

(b) A procedure for designating as being unsuitable for mining certain lands because of their topographical, geological, hydrological, climatological, biological, or chemical characteristics or historical, cultural, scientific or aesthetic values.

(c) Procedures *and regulations* for the allowance of those persons having *an* [a valid legal] interest which is or may be adversely affected to have the opportunity to be heard at every significant or critical part of the administrative and judicial process, *including, but not limited to, the permit review and issuance process, the general enforcement process and hearings incident thereto, and the rulemaking procedures conducted by the department; and procedures and regulations for persons having a valid legal interest which is or may be adversely affected by the setting, release, and inspection of bonds to have an opportunity to be heard at every significant or critical part of the administrative and judicial process relating to bonds. Such regulations shall provide reasonable procedures for notice and an opportunity to be heard, access to minesites, access to records, and other reasonable procedures to accomplish the purposes of this chapter.*

(d) Procedures for the administrative and judicial review of all actions of the department to administer and enforce the provisions of this chapter, *including the award of costs and expenses (including attorney's fees and expert witness fees) by the department or the court.*

(e) Plans and procedures for the reclamation and restoration of land and water resources affected by mining which have been abandoned or inadequately reclaimed to the standards imposed by this section and for which no bond is held or legal obligation to reclaim continues. Such plan shall include provisions for the imposition of liens for necessary reclamation expenditures made on private property.

(f) Procedures for the assumption of the small operator assistance program pursuant to the surface mining control and reclamation act of 1977 (PL 95-87). The department shall assume and implement that program and apply for and administer funds as may be provided pursuant to that act *and such state funds as may be provided for the program.*

(3) In addition to any other authority, power and duty vested in it by law, the department shall have and exercise broad authority, power and duty to:

(a) Require those persons who wish to engage in surface coal mining and reclamation operations to submit application for a permit from the department to conduct such operations, and to include in that application all information required by the department pertaining to that operation.

(b) Issue, deny, *or* modify [or suspend] under such conditions as the department may prescribe, permits to conduct surface coal mining and reclamation operations within the Commonwealth.

(c) Enter and inspect any permitted surface coal mining and reclamation operation or any known or suspected unpermitted mining operation for the purpose of ascertaining compliance with any provision of this section or of the permit.

(d) Order the cessation of mining activities, and if necessary impose affirmative abatement obligations, upon the operator when, upon inspection, the department determines that this section or any permit condition is being or has been violated so as to constitute an imminent and inordinate peril to the welfare of the Commonwealth.

(e) Order an operator to comply with the requirements of this section or his permit if inspection reveals a violation of the conditions of his permit or of any provision of this section.

(f) Order an operator to appear and show cause why his permit should not be *suspended or* revoked and his bond forfeited if the department determines that the operator or the permitted operation has a pattern of violations of this section or permit conditions, and has wilfully violated this section or permit conditions or a pattern of violations exists and that such violations are caused by the permittees' unwarranted failure to comply with this section or permit conditions.

(g) Require, increase, release or decrease, under such conditions as the department may prescribe reclamation performance bonds and cause the forfeiture and collection of those bonds where the permittee has abandoned the operation or for which the permit under which the bond was given has been revoked or has expired without the required reclamation.

(h) To administratively impose, in lieu of those civil penalties provided for in KRS 350.990, civil penalties of up to five thousand dollars ($5,000) per day for violations of permit conditions, this section, or any orders of the department and enforce the administrative assessment of such penalties by initiating civil action in the Franklin circuit court or in any court having jurisdiction of the defendant.

(i) Conduct hearings and make investigations of any matter relating to the regulation of surface coal mining and reclamation operations, *and provide for the assessment and payment of civil penalties including the placement of proposed civil penalty assessments into an escrow account prior to a contest on the amount of the assessment, consistent with the process of law.*

(j) Provide for variances or exceptions *consistent with KRS 350.450* from or in addition to mining performance standards, recognizing the specific characteristics inherent in:

1. Steep slope mining;
2. Mountaintop removal;
3. Relatively low acreage disturbance or annual coal production;
4. Prime farmland mining as defined by the United States department of agriculture, and to provide for other variances where land uses and watersheds will be improved; and
5. Post mining uses different from and as beneficial as the pre-mining uses.

(k) Receive and expend funds or aid from whatever source to accomplish the purposes of this chapter.

(l) Propose and promulgate regulations to accomplish the purposes of this section.

(4) The department shall not promulgate regulations which are inconsistent with the surface mining control and reclamation act of 1977 (PL 95-87).

(5) Any person who violates a provision of this section or the regulations promulgated pursuant thereto shall be subject to those penalties and remedies set forth in KRS 350.990 except as provided for in subsection (3)(h) herein.

Section 35. KRS 350.990 is amended to read as follows:

(1) Any person or operator who violates any of the provisions of this chapter or regulations adopted pursuant thereto or who fails to perform the duties imposed by these provisions, except the refusal or failure to obtain a permit or other authorization as provided herein, or who violates any determination or order promulgated pursuant to the provisions of this chapter, *may* [shall] be liable to a civil penalty of not [less than one hundred dollars ($100) nor] more than five thousand dollars ($5,000) for said violation, and an additional civil penalty of not [less than one hundred dollars ($100) nor] more than *five* [one] thousand dollars *($5,000)* [($1,000)] for each day during which such violation continues, and in addition, may be enjoined from continuing such violations as hereinafter provided in this section*; provided, however, that any operator or person who fails to abate a violation noted in a notice of non-compliance within the time period prescribed for such abatement shall be assessed a civil penalty of not less than seven hundred fifty dollars ($750) for each day during which such violation continues. A civil penalty of not more than five thousand dollars ($5,000) for each day shall be assessed against any person issued an order pursuant to KRS 350.130(4). Each day of continuing violation may be deemed a separate violation for purposes of penalty assessment.* Such penalties shall be recoverable in an action brought in the name of the Commonwealth of Kentucky by the department's office of general counsel, or upon the secretary's request, by the attorney general. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto. All sums recovered shall be placed in the state treasury.

(2) Any person who engages in strip mining without first securing a permit, as provided in KRS 350.060, or any person who engages in operations without proper authorization, [which shall not be construed to mean permits,] as required by the department pursuant to KRS 350.151 shall be liable to a civil penalty for damages to the Commonwealth of not less than five thousand dollars ($5,000) nor more than twenty-five thousand dollars ($25,000) and in addition, may be enjoined from continuing such violations as hereinafter provided. Each day shall constitute a separate violation. However, the penalties provided for in subsection (1) of this section shall apply in lieu of the penalties provided for in this subsection where an operator through inadvertence has exceeded the boundaries of the permit in effect at that time.

(3) It shall be the duty of the department's office of general counsel or, upon the secretary's request, of the attorney general to bring an action for the recovery of the penalties herein provided for and to bring

an action for a restraining order, temporary or permanent injunction, against any operator or other person violating or threatening to violate any of the provisions of this chapter or violating or threatening to violate any order or determination promulgated pursuant to the provisions of this chapter. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto.

(4) Any person who shall *knowingly and* wilfully violate any of the provisions of this chapter, except as provided in subsection (5) or any determination or order promulgated pursuant to the sections of this chapter which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of [not less than five hundred dollars ($500) and] not more than *ten thousand dollars ($10,000) or by imprisonment for not more than one (1) year, or both* [five thousand dollars ($5,000)]. Each day on which such violation occurs *may* [shall] constitute a separate offense.

(5) Any person who, in violation of KRS 350.060, wilfully and knowingly engages in strip mining without first obtaining a permit from the department or any person who wilfully and knowingly engages in operations without proper authorization, [which shall not be construed to mean permits,] as required by the department pursuant to KRS 350.151 with the intent to violate such laws shall be guilty of a Class A misdemeanor and upon conviction thereof shall be imprisoned for a term of up to one (1) year.

(6) Any person who knowingly makes any false statement, representation or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained by the department, shall upon conviction be guilty of a misdemeanor and shall be imprisoned for a term of up to one (1) year, or be fined not more than ten thousand dollars ($10,000), or both.

(7) Except as permitted by law, any person who shall wilfully resist, prevent, impede, or interfere with the secretary or other personnel of the department in the performance of duties pursuant to this chapter shall, upon conviction, be fined not more than five thousand dollars ($5,000) or imprisoned for not more than one (1) year, or both.

(8) Whenever a corporate permittee violates any provision of this chapter or regulation issued pursuant thereto or fails or refuses to comply with any final order issued by the secretary, any director, officer, or agent of such corporation who wilfully and knowingly authorized, ordered, or carried out such violation, failure or refusal shall be subject to the same civil penalties, fines, and imprisonment as may be imposed upon a person pursuant to this section.

SECTION 36. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The secretary of the department for natural resources and environmental protection is hereby authorized to establish a planning process enabling objective decisions based upon competent and scientifically sound data as to which, if any, lands of the Commonwealth are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in this Act: Provided, that any such designation shall not prevent coal or other mineral exploration of any area so designated.

(2) Upon petition and hearing pursuant to subsection (5) of this section, the secretary shall designate an area as unsuitable for all or certain types of surface coal mining operations, if the secretary determines that reclamation pursuant to this chapter is not technologically and economically feasible.

(3) Upon petition and hearing pursuant to subsection (6) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will:

(a) Be incompatible with existing state and local land use plans; or

(b) Affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values, and natural systems; or

(c) Affect renewable resource lands in which such operations could result in a substantial loss or reduction of long range productivity of water supply or food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(d) Affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) Determinations of the unsuitability of land for surface coal mining shall be integrated as closely as possible with present and future land use planning and regulation processes at any appropriate level of government, including but not limited to any valid exercise of authority of a municipality or county, acting independently or jointly, pursuant to KRS Chapter 100.

(5) The requirements of this Act shall not apply to lands on which coal mining operations were being conducted on August 3, 1977 or under a permit issued pursuant to this chapter or where substantial legal and financial commitments in such operation were in existence prior to January 4, 1977.

(6) Other provisions of this chapter relating to hearings to the contrary notwithstanding, any person having an interest which is or may be adversely affected shall have the right to petition the department to the extent such a petition would be consistent with subsections (2) and (3) of this section, to have an area

designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten (10) months after the receipt of the petition, the department shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing, pursuant to regulations promulgated by the department to implement this section provided that when a permit application is pending before the department and such application involves an area in a designation petition, the department shall hold the hearing on the petition within ninety (90) days of its receipt. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty (60) days after such a hearing, the department shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefore. In the event that all petitioners stipulate agreement prior to the requested hearing and withdraw their request, such hearing need not be held.

(7) Prior to designating any land areas as unsuitable for surface coal mining operations, the department shall prepare a detailed statement on:

(a) The potential coal resources of the area; and

(b) The demand for coal resources; and

(c) The impact of such designation on the environment, the economy, and the supply of coal.

(8) Subject to subsection (5) of this section, the department shall not issue a permit to conduct surface coal mining and reclamation operations in contravention of any designation or any decision on any petition pursuant to subsection (6) of this section regarding any surface area designated unsuitable for mining; nor shall the department issue a permit to conduct surface coal mining and reclamation operations in an area under study for such designation in an administrative proceeding already commenced under subsection (6) of this section.

SECTION 37. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) Nothing in this chapter shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

(2) Each operator of a surface coal mine shall replace the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial or other legitimate use from an underground or surface source where such supply has been affected by contamination, dimunition, or interruption proximately resulting from such surface coal mine operation.

SECTION 38. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

Any agency, unit, or instrumentality of federal, state, or local government, including any publicly owned utility or publicly owned corporation of federal, state, or local government, which proposes to engage in surface coal mining operations, as defined by KRS 350.010(1), shall comply with the requirements of this chapter.

Section 39. The general assembly finds and declares that an emergency exists because of the federal requirement that state legislation necessary to comply with the provisions of Public Law 95-87, the "surface mining control and reclamation act of 1977," be a validly enacted law on or before June 15, 1980, in order that the state program filing of March 3, 1980, be deemed complete, and that the state law shall be in effect before the United States secretary of interior can approve the state program, or the state's proposed permanent program would otherwise be disapproved by the United States secretary of interior, thereby causing the installation of a federal program in the Commonwealth. Therefore, this legislation shall become a validly enacted law when signed by the governor, and the provisions of this Act, except subsection (3) of KRS 350.060, shall become effective simultaneously with approval of the state program by the United States secretary of interior pursuant to Public Law 95-87, the surface mining control and reclamation act of 1977.

The general assembly further finds and declares that, since it is vitally important to the Commonwealth that the permitting process for surface coal mining operations remains administratively workable an emergency exists and therefore subsection (3) of KRS 350.060 shall become effective immediately upon its passage and approval by the governor.

HB 555, AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 242.050 is amended to read as follows:

The proposition to be voted upon shall be stated on the ballot without emblems and two (2) spaces shall be left upon the right side of the ballot, one (1) for votes favoring the proposition, to be designated by the word "Yes," and one (1) for votes opposing it, to be designated by the word "No." The voter shall designate his vote by a cross mark placed opposite the word "Yes" or the word "No." In any election the form of the proposition shall be:

(a) "Are you in favor of the sale of alcoholic beverages by the drink for consumption on the licensed premises in (name of county, city or precinct)?"

(b) "Are you in favor of the sale of alcoholic beverages by the package only for consumption off the licensed premises in (name of county, city or precinct)?"

(c) "Are you in favor of the sale of alcoholic beverages by the package for consumption off the licensed premises and by the drink for consumption on the premises in (name of county, city or precinct)?"

(d) "Are you in favor of the sale of distilled spirits, wine and malt beverages by the drink for consumption on the premises in (name of county or city) by hotels, motels and inns containing not less than fifty (50) sleeping units and having dining facilities for not less than one hundred (100) persons and in restaurants having dining facilities for not less than one hundred (100) persons?"

(e) "Are you in favor of the prohibition of the sale of alcoholic beverages in (name of county, city or precinct)?" [, "Are you in favor of the sale of alcoholic beverages in (name of county or city)?"].

Section 2. KRS 242.125 is amended to read as follows:

(1) In any county in which the provisions of KRS 242.220 to 242.430 are applicable by reason of an election for the entire county having heretofore resulted in favor of prohibition, an election may be held in any city of the first four (4) classes in such county to take the sense of the people of the city as to the discontinuance of prohibition in the city. For this purpose, the election in the city shall not be deemed to be an election in the "same territory" as that in which the county-wide election was held, within the meaning of subsection (5) of KRS 242.030. If, at the election for a city, the majority of the votes cast are against prohibition, the vote makes KRS 242.220 to 242.430 inapplicable to the entire city, but this does not prevent an election from thereafter being held in any precinct of the city, subject to the provisions of KRS chapter 242, to take the sense of the people of the precinct as to the application of KRS 242.220 to 242.430 in the precinct.

(2) In any election hereafter held for an entire county, which county is not at the time of the election dry territory by reason of a county-wide election heretofore held, for the purpose of taking the sense of the voters as to the application of KRS 242.220 to 242.430 in the county, the voters within each city of the first four (4) classes in the county shall be furnished a ballot upon which the question shall be *that prescribed by KRS 242.050*[, "Are you in favor of the sale of alcoholic beverages in (name of city)?"]. No ballot shall be furnished to the voters of any city of such class, if, less than three (3) years prior to the date of the proposed county-wide election a city-wide election was held in the city at which a majority of the votes cast were against prohibition. The status of such a city is not affected by the result of the county-wide election. The voters outside of the cities of such classes shall be furnished a ballot upon which the question shall be *that prescribed by KRS 242.050*[, "Are you in favor of the sale of alcoholic beverages in (name of county), outside of the corporate limits of the cities of the first four classes?"]. The ballots of each such city shall be separately tabulated, and the ballots of the voters outside such cities shall be separately tabulated. If the majority of votes cast in any such city are for prohibition, KRS 242.220 to 242.430 shall apply to the entire city. If the majority of votes cast in any such city are against prohibition, then KRS 242.220 to 242.430 shall be inapplicable, except, that if, that at the time of the election any number of precincts of the city, less than the entire city were dry territories, the votes shall not make KRS 242.220 to 242.430 inapplicable in such precinct. If the majority of votes cast in any city are against prohibition, and if, at the time of such election, the entire city was dry territory, KRS 242.220 to 242.430 shall be inapplicable to the entire city. If the majority of votes cast in the county outside of such cities of the first four (4) classes are for prohibition, KRS 242.220 to 242.430 shall apply to all of the county outside of the cities. If the majority of the votes cast in the county outside of the cities are against prohibition, the votes shall not make KRS 242.220 to 242.430 inapplicable to any district or precinct outside of the cities that was dry territory at the time of the election.

(3) If, in any city-wide election held in a city of the first four (4) classes for the purpose of taking the sense of the voters as to the adoption or discontinuance of the application of KRS 242.220 to 242.430 to the city, other than an election coming within the provisions of subsection (1) or (2) of this section, the majority of the votes cast are for prohibition, KRS 242.220 to 242.430 applies to every portion of the city. If, in any city-wide election, the majority of the votes cast are against prohibition, and if, at the time of the election, any number of precincts in the city less than the entire city were dry territories, the votes do not make KRS 242.220 to 242.430 inapplicable to such precincts. If, in any city-wide election, the majority of votes cast are against prohibition, and if, at the time of the election, the entire city was dry territory, KRS 242.220 to 242.430 is inapplicable to the entire city.

(4) In any county in which prohibition is in effect, an election may be held in any precinct in the manner prescribed in KRS 242.010 to 242.040 and KRS 242.060 to 242.120 to take the sense of the people

of the precinct as to discontinuance of prohibition in the precinct. If the majority of votes cast in any such precinct are against prohibition, then KRS 242.220 to 242.430 shall be inapplicable to that precinct.

Section 3. KRS 243.030 is amended to read as follows:

The following kinds of distilled spirits and wine licenses may be issued by the administrator of the distilled spirits unit, the fees for which shall be:

(1)	Distiller's license, per annum	$ 500.00
(2)	Rectifier's license, per annum	$1,500.00
(3)	Blender's license, per annum	$ 500.00
(4)	Vintner's license, per annum	$ 500.00
(5)	Small winery license, per annum	$ 250.00
(6)	Wholesaler's license, per annum	$1,000.00
(7)	Retail package license, per annum:	
(a)	In counties containing cities of the first class	$ 600.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(d)	In counties containing cities of the fourth class	$ 300.00
(e)	In all other counties	$ 200.00
(8)	Retail drink license, per annum:	
(a)	In counties containing cities of the first class	$ 800.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(d)	*In all other counties*	*$ 200.00*
(9)	Transporter's license, per annum	$ 25.00
(10)	Dining car license, per annum	$ 50.00
(11)	Special nonbeverage alcohol vendor's license, per annum	$ 25.00
(12)	Special industrial alcohol license, per annum	$ 25.00
(13)	Special nonindustrial alcohol license, per annum	$ 25.00
(14)	Special agent's or solicitor's license, per annum	$ 20.00
(15)	Special storage or warehouse license, per annum	$ 100.00
(16)	Special temporary license, per month or part of month, one-sixth (1/6) of the fees enumerated in subsection (7).	
(17)	Special private club license, per annum	$ 150.00
(18)	Special Sunday retail drink license	$ 300.00
(19)	Nonresident, special agent or solicitor's license, per annum	$ 20.00
(20)	Transport permit, nonresident license, per annum	$ 25.00
(21)	Through transporter's license, per annum	$ 25.00
(22)	Freight forwarder's license, per annum	$ 25.00
(23)	Supplemental bar license:	
(a)	In counties containing cities of the first class	$ 800.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the	

third class	$	400.00
(24) Restaurant wine license, per annum:		
(a) New applicants	$	300.00
(b) Renewals	$	200.00

(25) Such other special license as the board may find necessary for the proper regulation and control of the traffic in distilled spirits and wine and may provide for by regulation. In fixing the amount of license taxes that are required to be fixed by the board, it shall have regard for the value of the privilege granted.

Section 4. KRS 243.070 is amended to read as follows:

The city legislative body of any city in which traffic in alcoholic beverages is not prohibited under KRS Chapter 242 may impose license fees for the privilege of manufacturing and trafficking in alcoholic beverages. Only such licenses may be issued as correspond, in their provisions and the business authorized, to the licenses provided for in subsections (1), (2), (3), (6), (7), (8), (16), (17), (18), [and] (19) *and (25)* of KRS 243.030 and subsections (1), (2), (3) and (6) of KRS 243.040. The fees imposed shall not exceed twice the amount of the fees imposed in KRS 243.030 and 243.040 for such licenses, except that the fee for a Sunday distilled spirits and wine retail drink license shall not exceed three hundred dollars ($300), the fee for a malt beverage retailer's license may be fixed at not exceeding two hundred dollars ($200), the fee for a brewer's license shall not exceed five hundred dollars ($500), and the fee for a distiller's license shall not exceed five hundred dollars ($500).

Section 5. KRS 243.220 is amended to read as follows:

(1) No license for the sale of alcoholic beverages at retail shall be issued for any premises unless the applicant for the license is the owner of the premises or is in possession of the premises under a written lease for a term of not less than the license period.

(2) (a) No premises shall be licensed for the sale of alcoholic beverages at retail except where the licensed premises and the entrance to the premises are on the street level and located in a business center or on a main thoroughfare.

(b) Paragraph (a) of this subsection shall not apply to a hotel, club or restaurant, provided the club or restaurant receives a minimum of forty per cent (40%) of its income from the sale of food and has a minimum seating capacity of fifty (50) people at tables. In the class of cases described in this paragraph the administrator to whom the application is made may, in the exercise of his sound discretion, decide whether the premises are to be licensed.

(3) (a) Except as provided in paragraphs (b) and (c) of this subsection, no license for the sale of alcoholic beverages at retail shall be issued for any premises that are located within two hundred (200) feet of a building used primarily as a church or for class rooms of a school, if the governing authority of the church or school, within ten (10) days after receiving notice of the application for the license, files written protest with the state administrator against the issuance of the license. The measurement shall be taken in a straight line from the nearest outside wall of the building on the licensed premises to the nearest outside wall of the church or school building. Proof of the giving of notice to the governing authority of the church or school must be furnished to the state administrator before the license is issued.

(b) A hotel, drug store, private club or other retail licensee which or who has been bona fide in business as a licensee at a particular location for not less than one (1) year preceding the passage of Acts 1978 or the establishment of the church or school, may be issued a license by the administrator, in the exercise of his sound discretion, regardless of protest, even though the premises are within less than two hundred (200) feet of a building occupied primarily as a church or for class rooms of a school.

(c) In cities of the first *four classes*[, second or third class], the city administrator, with the approval of the state alcoholic beverage control board, may issue a regulation in such city requiring written permission by the governing authority of the church or school for the licensing of retail premises within two hundred (200) feet of the church or school building, in which case the state administrator may not issue the license without such permission, except under the circumstances set forth in paragraph (b) of this subsection.

Section 6. KRS 243.230 is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first *four classes*[, second or third class], or elsewhere in counties containing a city of the first *four classes*[, second or third class] if those counties maintain an adequate police force under KRS 70.540 to 70.570 and KRS 70.150 to 70.170.

(2) [Notwithstanding any other provision of law, a special license to sell distilled spirits and wine by the drink for consumption on the premises may be issued for premises located within a city of the fourth class in which the majority of votes cast in the most recent election held pursuant to KRS 242.127 and 242.129 were in favor of the proposition voted upon provided the city has an adequate police force under KRS 95.700 to 95.710 and KRS 95.720 to 95.787.

(3)] Licenses to sell distilled spirits or wine by the package may be issued only for premises located within incorporated cities, or elsewhere in counties containing a city of the first *four classes*[, second or third class] if those counties maintain an adequate police force under KRS 70.540 to 70.570 and KRS 70.150 to 70.170.

(3)[(4)] Notwithstanding subsection *(2)*[(3)], the board may, after a field investigation, issue a license to sell distilled spirits and wine by the package at premises not located within any city if:

(a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed; and

(c) The part of any premises to be licensed under this subsection which is available to the public shall not, except in the case of a drug store, exceed one hundred square feet of floor space and shall not contain any chairs, benches, stools or similar furniture or fixtures.

(4)[(5)] No retail package or drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries or gasoline and lubricating oil.

Section 7. KRS 242.1296 is amended to read as follows:

If the sense of the people in an election held pursuant to the provisions of *Section 1 of this Act and* KRS 242.1293 [and 242.1294] is "yes", no other local option election shall be held in that county or city, unless an additional election is first held pursuant to the provisions of *Section 1 of this Act and* KRS 242.1293 and 242.1294 in which the sense of the people is "no".

Section 8. The following KRS sections are repealed:

242.127 Sale of distilled spirits in city of the fourth class — Local option election.
242.129 Statement of proposition submitted in election.
242.1294 Statement of proposition submitted in election.

The Committee Substitute to **HB 555** is as follows:

HB 555, AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 242.050 is amended to read as follows:

(1) The proposition to be voted upon shall be stated on the ballot without emblems and two (2) spaces shall be left upon the right side of the ballot, one (1) for votes favoring the proposition, to be designated by the word "Yes," and one (1) for votes opposing it, to be designated by the word "No." The voter shall designate his vote by a cross mark placed opposite the word "Yes" or the word "No."

(2) The voters shall be able to vote on any of the following propositions but only one (1) such proposition may be offered in each election.

(a) "Are you in favor of the sale of alcoholic beverages by the drink for consumption on the licensed premises in (name of county, city or precinct)?"

(b) "Are you in favor of the sale of alcoholic beverages by the package only for consumption off the licensed premises in (name of county, city or precinct)?"

(c) "Are you in favor of the sale of alcoholic beverages by the package for consumption off the licensed premises and by the drink for consumption on the premises in (name of county, city or precinct)?"

(d) "Are you in favor of the sale of distilled spirits, wine and malt beverages by the drink for consumption on the premises in (name of county, city or precinct) by hotels, motels and inns containing not less than fifty (50) sleeping units and having dining facilities for not less than one hundred (100) persons and in restaurants having dining facilities for not less than one hundred (100) persons?" [In any election the form of the proposition shall be, "Are you in favor of the sale of alcoholic beverages in (name of county or city)?"].

Section 2. KRS 242.125 is amended to read as follows:

(1) In any county in which the provisions of KRS 242.220 to 242.430 are applicable by reason of an election for the entire county having heretofore resulted in favor of prohibition, an election may be held in any city of the first four (4) classes in such county to take the sense of the people of the city as to the discontinuance of prohibition in the city. For this purpose, the election in the city shall not be deemed to be an election in the "same territory" as that in which the county-wide election was held, within the meaning of subsection (5) of KRS 242.030. If, at the election for a city, the majority of the votes cast are against prohibition, the vote makes KRS 242.220 to 242.430 inapplicable to the entire city, but this does not prevent an election from thereafter being held in any precinct of the city, subject to the provisions of KRS chapter 242, to take the sense of the people of the precinct as to the application of KRS 242.220 to 242.430 in the precinct.

(2) In any election hereafter held for an entire county, which county is not at the time of the election dry territory by reason of a county-wide election heretofore held, for the purpose of taking the sense of the voters as to the application of KRS 242.220 to 242.430 in the county, the voters within each city of the first four (4) classes in the county shall be furnished a ballot upon which the question shall be *that prescribed by KRS 242.050*[, "Are you in favor of the sale of alcoholic beverages in (name of city)?"]. No ballot shall be furnished to the voters of any city of such class, if, less than three (3) years prior to the date of the proposed county-wide election a city-wide election was held in the city at which a majority of the votes cast were against prohibition. The status of such a city is not affected by the result of the county-wide election. The voters outside of the cities of such classes shall be furnished a ballot upon which the question shall be *that prescribed by KRS 242.050*[, "Are you in favor of the sale of alcoholic beverages in (name of county), outside of the corporate limits of the cities of the first four classes?"]. The ballots of each such city shall be separately tabulated, and the ballots of the voters outside such cities shall be separately tabulated. If the majority of votes cast in any such city are for prohibition, KRS 242.220 to 242.430 shall apply to the entire city. If the majority of votes cast in any such city are against prohibition, then KRS 242.220 to 242.430 shall be inapplicable, except, that if, that at the time of the election any number of precincts of the city, less than the entire city were dry territories, the votes shall not make KRS 242.220 to 242.430 inapplicable in such precinct. If the majority of votes cast in any city are against prohibition, and if, at the time of such election, the entire city was dry territory, KRS 242.220 to 242.430 shall be inapplicable to the entire city. If the majority of votes cast in the county outside of such cities of the first four (4) classes are for prohibition, KRS 242.220 to 242.430 shall apply to all of the county outside of the cities. If the majority of the votes cast in the county outside of the cities are against prohibition, the votes shall not make KRS 242.220 to 242.430 inapplicable to any district or precinct outside of the cities that was dry territory at the time of the election.

(3) If, in any city-wide election held in a city of the first four (4) classes for the purpose of taking the sense of the voters as to the adoption or discontinuance of the application of KRS 242.220 to 242.430 to the city, other than an election coming within the provisions of subsection (1) or (2) of this section, the majority of the votes cast are for prohibition, KRS 242.220 to 242.430 applies to every portion of the city. If, in any city-wide election, the majority of the votes cast are against prohibition, and if, at the time of the election, any number of precincts in the city less than the entire city were dry territories, the votes do not make KRS 242.220 to 242.430 inapplicable to such precincts. If, in any city-wide election, the majority of votes cast are against prohibition, and if, at the time of the election, the entire city was dry territory, KRS 242.220 to 242.430 is inapplicable to the entire city.

(4) In any county in which prohibition is in effect, an election may be held in any precinct in the manner prescribed in KRS 242.010 to 242.040 and KRS 242.060 to 242.120 to take the sense of the people of the precinct as to discontinuance of prohibition in the precinct. If the majority of votes cast in any such precinct are against prohibition, then KRS 242.220 to 242.430 shall be inapplicable to that precinct.

Section 3. KRS 243.030 is amended to read as follows:

The following kinds of distilled spirits and wine licenses may be issued by the administrator of the distilled spirits unit, the fees for which shall be:

(1)	Distiller's license, per annum	$ 500.00
(2)	Rectifier's license, per annum	$1,500.00
(3)	Blender's license, per annum	$ 500.00
(4)	Vintner's license, per annum	$ 500.00
(5)	Small winery license, per annum	$ 250.00
(6)	Wholesaler's license, per annum	$1,000.00
(7)	Retail package license, per annum:	
(a)	In counties containing cities of the first class	$ 600.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(d)	In counties containing cities of the fourth class	$ 300.00
(e)	In all other counties	$ 200.00
(8)	Retail drink license, per annum:	
(a)	In counties containing cities of the first class	$ 800.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the	

	third class	$ 400.00
(d)	*In all other counties*	*$ 200.00*
(9)	Transporter's license, per annum	$ 25.00
(10)	Dining car license, per annum	$ 50.00
(11)	Special nonbeverage alcohol vendor's license, per annum	$ 25.00
(12)	Special industrial alcohol license, per annum	$ 25.00
(13)	Special nonindustrial alcohol license, per annum	$ 25.00
(14)	Special agent's or solicitor's license, per annum	$ 20.00
(15)	Special storage or warehouse license, per annum	$ 100.00
(16)	Special temporary license, per month or part of month, one-sixth (1/6) of the fees enumerated in subsection (7).	
(17)	Special private club license, per annum	$ 150.00
(18)	Special Sunday retail drink license	$ 300.00
(19)	Nonresident, special agent or solicitor's license, per annum	$ 20.00
(20)	Transport permit, nonresident license, per annum	$ 25.00
(21)	Through transporter's license, per annum	$ 25.00
(22)	Freight forwarder's license, per annum	$ 25.00
(23)	Supplemental bar license:	
(a)	In counties containing cities of the first class	$ 800.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(24)	Restaurant wine license, per annum:	
(a)	New applicants	$ 300.00
(b)	Renewals	$ 200.00

(25) Such other special license as the board may find necessary for the proper regulation and control of the traffic in distilled spirits and wine and may provide for by regulation. In fixing the amount of license taxes that are required to be fixed by the board, it shall have regard for the value of the privilege granted.

Section 4. KRS 243.070 is amended to read as follows:

The city legislative body of any city in which traffic in alcoholic beverages is not prohibited under KRS Chapter 242 may impose license fees for the privilege of manufacturing and trafficking in alcoholic beverages. Only such licenses may be issued as correspond, in their provisions and the business authorized, to the licenses provided for in subsections (1), (2), (3), (6), (7), (8), (16), (17), (18), [and] (19) *and (25)* of KRS 243.030 and subsections (1), (2), (3) and (6) of KRS 243.040. The fees imposed shall not exceed twice the amount of the fees imposed in KRS 243.030 and 243.040 for such licenses, except that the fee for a Sunday distilled spirits and wine retail drink license shall not exceed three hundred dollars ($300), the fee for a malt beverage retailer's license may be fixed at not exceeding two hundred dollars ($200), the fee for a brewer's license shall not exceed five hundred dollars ($500), and the fee for a distiller's license shall not exceed five hundred dollars ($500).

Section 5. KRS 243.220 is amended to read as follows:

(1) No license for the sale of alcoholic beverages at retail shall be issued for any premises unless the applicant for the license is the owner of the premises or is in possession of the premises under a written lease for a term of not less than the license period.

(2) (a) No premises shall be licensed for the sale of alcoholic beverages at retail except where the licensed premises and the entrance to the premises are on the street level and located in a business center or on a main thoroughfare.

(b) Paragraph (a) of this subsection shall not apply to a hotel, club or restaurant, provided the club or restaurant receives a minimum of forty per cent (40%) of its income from the sale of food and has a minimum seating capacity of fifty (50) people at tables. In the class of cases described in this paragraph the administrator to whom the application is made may, in the exercise of his sound discretion, decide whether the premises are to be licensed.

(3) (a) Except as provided in paragraphs (b) and (c) of this subsection, no license for the sale of alcoholic beverages at retail shall be issued for any premises that are located within two hundred (200) feet of a building used primarily as a church or for class rooms of a school, if the governing authority of the church or school, within ten (10) days after receiving notice of the application for the license, files written protest with the state administrator against the issuance of the license. The measurement shall be taken in a straight line from the nearest outside wall of the building on the licensed premises to the nearest outside wall of the church or school building. Proof of the giving of notice to the governing authority of the church or school must be furnished to the state administrator before the license is issued.

(b) A hotel, drug store, private club or other retail licensee which or who has been bona fide in business as a licensee at a particular location for not less than one (1) year preceding the passage of Acts 1978 or the establishment of the church or school, may be issued a license by the administrator, in the exercise of his sound discretion, regardless of protest, even though the premises are within less than two hundred (200) feet of a building occupied primarily as a church or for class rooms of a school.

(c) In cities of the first *four classes*[, second or third class], the city administrator, with the approval of the state alcoholic beverage control board, may issue a regulation in such city requiring written permission by the governing authority of the church or school for the licensing of retail premises within two hundred (200) feet of the church or school building, in which case the state administrator may not issue the license without such permission, except under the circumstances set forth in paragraph (b) of this subsection.

Section 6. KRS 243.230 is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first *four classes*[, second or third class], or elsewhere in counties containing a city of the first *four classes*[, second or third class] if those counties maintain an adequate police force under KRS 70.540 to 70.570 and KRS 70.150 to 70.170.

(2) [Notwithstanding any other provision of law, a special license to sell distilled spirits and wine by the drink for consumption on the premises may be issued for premises located within a city of the fourth class in which the majority of votes cast in the most recent election held pursuant to KRS 242.127 and 242.129 were in favor of the proposition voted upon provided the city has an adequate police force under KRS 95.700 to 95.710 and KRS 95.720 to 95.787.

(3)] Licenses to sell distilled spirits or wine by the package may be issued only for premises located within incorporated cities, or elsewhere in counties containing a city of the first *four classes*[, second or third class] if those counties maintain an adequate police force under KRS 70.540 to 70.570 and KRS 70.150 to 70.170.

(3)[(4)] Notwithstanding subsection *(2)*[(3)], the board may, after a field investigation, issue a license to sell distilled spirits and wine by the package at premises not located within any city if:

(a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed; and

(c) The part of any premises to be licensed under this subsection which is available to the public shall not, except in the case of a drug store, exceed one hundred square feet of floor space and shall not contain any chairs, benches, stools or similar furniture or fixtures.

(4)[(5)] No retail package or drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries or gasoline and lubricating oil.

Section 7. KRS 242.1296 is amended to read as follows:

If the sense of the people in an election held pursuant to the provisions of *Section 1 of this Act and* KRS 242.1293 [and 242.1294] is "yes", no other local option election shall be held in that county, [or] city *or precinct*[,] unless an additional election is first held pursuant to the provisions of *Section 1 of this Act and* KRS 242.1293 and 242.1294 in which the sense of the people is "no".

Section 8. The following KRS sections are repealed:

242.127 Sale of distilled spirits in city of the fourth class — Local option election.
242.129 Statement of proposition submitted in election.
242.1294 Statement of proposition submitted in election.

Announcements

The Clerk announced the filing of the following Floor Amendments to Bills:

Floor Amendment No. 1 to **HB 91,** by Representative Donnermeyer, is as follows:

Amend printed copy of **HB 91** on page 1, line 6, by striking the word "three (3)" and inserting in lieu thereof, "two (2)"; and

on page 1, by deleting lines 9 through 14 in their entirety; and

on page 2, by deleting lines 12 through 20 in their entirety; and

on page 2, line 21, by striking the number "(3)" and inserting in lieu thereof, "(2)"; and

on page 3, line 7, by striking the number "(4)" and inserting in lieu thereof, "(3)".

Floor Amendment No. 1 to **HB 499,** by Representative Clarke, is as follows:

Amend printed copy of **HB 499** on page 8, line 10, after the word "Code." add the following words: *"Stockholders of a corporation qualifying after December 31, 1979 as "electing small business corporations" under Chapter 141 may elect to treat such qualification as an initial qualification under Internal Revenue Code Sections 1371-1378."*

and on page 12, after line 24, add the following:

"(c) In no event shall the tax levied by this subsection apply if Section 1378 of the Internal Revenue Code would exempt such capital gains from federal income tax."

Floor Title Amendment to **HB 499,** by Representative Clarke, is as follows:

Amend printed copy of **HB 499** on page 1, the title line, by amending the title to read as follows: "AN ACT relating to income taxes."

Representative B. Richardson moved that when the House adjourns, it do so by voice vote. Agreed.

Representative B. Richardson moved that when the House adjourns, it do so until 10 a.m., Friday, March 7, 1980. Agreed.

Adjournment

Representative B. Richardson moved that the House adjourn.

The House adjourned by voice vote.

FRIDAY, MARCH 7, 1980

THIRTY-NINTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Willis Polk, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Isler moved that the reading of the Journal of March 6, 1980, be dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 901, HB 909, HB 967, HR 104.**

Appropriations and Revenue: **HB 902, HB 908, HB 915, HB 905, HB 917, HB 931, HB 943, HB 947, HB 949, HB 953, HB 958, HB 963, HB 968, HB 970, HB 971, HB 973, HB 912.**

Banking and Insurance: **HB 951.**

Business Organizations and Professions: **HB 936, HB 948, HB 972, HR 102.**

Cities: **HB 904, HB 918, HB 955.**

Counties and Special Districts: **HB 907, HB 911, HB 939, HB 956.**

Education: **HB 910, HB 925, HB 946.**

Elections and Constitutional Amendments: **HB 914, HB 916, HB 945.**

Energy: **HB 903, HB 962.**

Health and Welfare: **HB 906, HB 920, HB 922, HB 927, HB 944, HB 952.**

Judiciary: **HB 926, HB 928, HB 929, HB 933, HB 934, HB 935, HB 940, HB 941, HB 959, HB 960, HB 965, HB 966, HB 974.**

Labor and Industry: **HB 923, HB 924, HB 950.**

Natural Resources and Environment: **HB 919, HB 932, HB 954, HR 108.**

State Government: **HB 913, HB 921, HB 930, HB 937, HB 938, HB 942, HB 957, HB 961, HB 964, HR 103.**

Transportation: **HB 969, HR 105, HR 106, HR 107.**

Committee Appointments

The Committee on Committees filed the following report concerning committee reassignments.

The Committee on Committees, as a result of the untimely death of Representative Reynolds has made the following committee reassignments.

The following members are assigned the following committee assignments:

Representative Yates is hereby assigned to serve on the Committee on Business Organizations and Professions and the Committee on Energy.

Representative Romines is hereby assigned to serve on the Committee on Natural Resources and Environment, and the Committee on Transportation.

Report on Committees

The Committee on Rules reported **HB 326, HB 425, HB 449, HB 450, HB 515, HB 535, HB 550, HB 562, HB 576, HB 586, HB 593, HB 600, HB 603, HB 643, HB 657, HB 658, HB 664, HJR 65,** and **SB 146** have been posted for passage in Orders of the Day, March 10, 1980.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Judiciary: **HB 813, HB 892, HB 873, HB 726, HB 620, HB 621, HB 679, HB 807, HB 890.**

Energy: **HB 838.**

Banking and Insurance: **HB 874, HB 894.**

Education: **HB 889, SB 27, SB 140.**

The Clerk announced the following Bills have been withdrawn from Committee consideration:

Energy: **HB 381, HB 384.**

Calendar

HB 236, HB 296, HB 481, HB 482, HR 37, HB 548, HB 473, HB 662, HR 73, HB 461, HB 478, HB 531, HB 613, HB 663, SB 90, HB 273, HB 617, SB 59, HB 437, HB 453, HB 609, HB 363, HB 456, HB 724, SB 147, HB 337, HB 532, HB 189, HB 518, HB 347, HB 566, and **HB 555** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 7** and **SB 109** had been examined and found correctly enrolled. Said bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day

HB 499, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Floor Amendment No. 1 to **HB 499.** Agreed.

Representative Clarke moved that **HB 499,** as amended, be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

HB 499, as amended, was passed.

Representative B. Richardson moved the adoption of the Title Amendment to **HB 499.**

The Title Amendment to **HB 499** was adopted by voice vote.

Representative B. Richardson moved that the vote by which **HB 499,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 91, with Committee Amendments and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the adoption of the Committee Amendment No. 2 to **HB 91.** Agreed.

Representative Donnermeyer moved the adoption of the Floor Amendment No. 1 to **HB 91.** Agreed.

Representative Donnermeyer moved that **HB 91,** as amended, be passed.

On the roll call the vote was yeas 88-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nay 1-Allen.

HB 91, as amended, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 91,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 114, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved the adoption of the Committee Amendment No. 1 to **HB 114.** Agreed.

Representative O'Brien moved that **HB 114,** as amended, be passed.

On the roll call the vote was yeas 85-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 3-Ellington, Fryman, Layman.

HB 114, as amended, was passed and the title agreed to.

Representative O'Brien moved that the vote by which **HB 114,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 165, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved the adoption of the Committee Amendment No. 1 to **HB 165.** Agreed.

Representative Williams moved that **HB 165,** as amended, be passed.

Representative Stumbo moved that **HB 165,** as amended, be laid on the table.

On the roll call the vote was yeas 34-Allen, Barrows, Bendl, Blair, Blythe, Boswell, Bruce, Burnette, Clapp, Craddock, Curd, DeMarcus, Deskins, Ellington, Fryman, Haering, Head, LeMaster, List, May, McBee, McNutt, Pearman, Petty, Plummer, Rattliff, Richards, B. Richardson, Riner, Robinson, Stumbo, Tobin, Worthington, Wright. Nays 49-Adams, Bennett, Blandford, Bronger, Brown, Caldwell, Cawood, Clarke, Crupper, Cyrus, Davenport, DeFalaise, Dunn, Farrow, Foster, Freibert, Gray, Hancock, Heleringer, Hines, Holbrook, Holloway, Jones, Kenton, Layman, Lewis, Lundergan, Mann, McKinney, Moberly, Morris, Noe, O'Brien, Patrick, Priddy, Rapier, P. Richardson, Schmidt, Smith, Stone, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Yates.

The motion that **HB 165,** as amended, be laid on the table was rejected.

Representative Thomason moved that **HB 165,** as amended, be laid on the Clerk's desk.

On the roll call the vote was yeas 73-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Cawood, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Haering, Head, Heleringer, Hines, Holloway, Isler, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 9-Bendl, Caldwell, Cyrus, DeMarcus, Fryman, Gray, Hancock, Riner, Smith.

The motion that **HB 165,** as amended, be laid on the Clerk's desk was adopted.

HB 289, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Heleringer moved the adoption of the Committee Substitute to **HB 289.** Agreed.

Representative Heleringer moved that **HB 289,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 73-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blythe, Brinkley, Bronger, Brown, Burnette, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Gray, Haering, Head, Heleringer, Hines, Holloway, Isler, Jones, Kenton, Kidd, Lewis, List, Little, Mann, May, Maynard, McKinney, Moberly, Morris, Nett, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 12-Blandford, Boswell, Freibert, Fryman, Hancock, Holbrook, McBee, McNutt, Overstreet, P. Richardson, Riner, Wright.

HB 289, by way of Committee Substitute, was passed and the title agreed to.

Representative Heleringer moved that the vote by which **HB 289,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 4, SB 133, SB 136, SB 196, SB 225, SB 249, SB 271, SCR 23, HB 85, HB 88, HB 155, HB 293,** and **HB 332.**

Orders of the Day (continued)

HB 336, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved the adoption of the Committee Substitute to **HB 336.** Agreed.

Representative Jones moved that **HB 336,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 336, by way of Committee Substitute, was passed and the title agreed to.

Representative Jones moved that the vote by which **HB 336,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 430 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 430** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 430 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 430** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 539, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Amendment No. 1 to **HB 539.** Agreed.

Representative Clarke moved that **HB 539,** as amended, be passed.

On the roll call the vote was yeas 62-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Brown, Caldwell, Cawood, Clark, Clarke, Craddock, Davenport, DeMarcus, Deskins, Donnermeyer, Farrow, Foster, Freibert, Haering, Hancock, Head, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Petty, Rapier, Richards, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 30-Allen, Blandford, Boswell, Brinkley, Bronger, Bruce, Burnette, Clapp, Crupper, Curd, Cyrus, Dawahare, DeFalaise, Ellington, Fryman, Gray, Heleringer, Isler, Layman, Overstreet, Patrick, Pearman, Plummer, Priddy, Rattliff, Robinson, Tobin, Turner, White, Worthington.

HB 539, as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 539,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 544 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **HB 544** be passed.

On the roll call the vote was yeas 63-Adams, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Foster, Freibert, Gray, Head, Holbrook, Holloway, Isler, Jones, Kenton, Layman, LeMaster, List, Lundergan, Mann, May, McBee, McNutt, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Thomas, Thomason, Turner, White, Yates. Nays 24-Allen, Barrows, Bennett, Brown, Crupper, Deskins, Farrow, Fryman, Hancock, Johnson, Lewis, Little, Maynard, McKinney, Moberly, Morris, Rapier, Smith, Stumbo, Van Horn, Weinberg, Wilborn, Williams, Worthington.

HB 544 was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 544** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 543 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Head moved that **HB 543** be passed.

On the roll call the vote was yeas 93-Adams, Allen, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 2-Maynard, McNutt.

HB 543 was passed and the title agreed to.

Representative Head moved that the vote by which **HB 543** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 580 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved that **HB 580** be passed.

On the roll call the vote was yeas 70-Adams, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, LeMaster, List, Lundergan, Mann, Maynard, McBee, McKinney, McNutt, Moberly, Nett, Noe, O'Brien, Patrick, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Wright. Nays 21-Allen, Blair, Crupper, Davenport, DeMarcus, Deskins, Fryman, Heleringer, Kidd, Layman, Lewis, Little, Morris, Overstreet, Pearman, Plummer, Priddy, Rapier, Turner, Worthington, Yates.

HB 580 was passed and the title agreed to.

Representative Noe moved that the vote by which **HB 580** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 53** had been examined and found correctly enrolled. **SB 53** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Motions, Petitions, and Communications

Speaker Pro Tempore Hancock presiding.

Representative Schmidt moved the adoption of the following Legislative Citation No. 46:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Mr. Marmaduke "Duke" Holdsworth for your distinguished services and loyalty to the citizens of Southgate, Kentucky. Your exemplary record demonstrates great personal sacrifices and constant efforts in continuously promoting the welfare of all its citizens. Your contribution to City Government beginning in 1946 with continuous promotion that resulted in services as City Treasurer and City Clerk in 1966 as the first administrative officer for Southgate is most admirable. You have been a great influential force in making Southgate a beautiful and progressive city. This body honors and salutes you on your retirement and extends our very best wishes for health and happiness. (Sponsored by Representative Schmidt)

Agreed.

Representative Stone moved that he be recorded as voting "yea" on **HB 119.** Agreed.

Representative Johnson moved that the rules be suspended for the purpose of reporting and acting on a Resolution. Agreed.

Representative Johnson moved the adoption of the following **HR 99:**

HR 99, A RESOLUTION adjourning the House in the honor and memory of Elmer L. Brown.

WHEREAS, Elmer L. Brown served in the House of Representatives in 1914, representing what was then the first representative district of Daviess County, Kentucky; and

WHEREAS, Elmer L. Brown had a distinguished career of public service of over sixty years, including city prosecutor of Owensboro; and

WHEREAS, Elmer L. Brown has addressed the House of Representatives on a number of occasions in the past; and

WHEREAS, Elmer L. Brown is now sadly missed by his family, community and the Kentucky House of Representatives;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this body recognizes the contributions made by Elmer L. Brown during his lifetime of public service.

Section 2. That when the House adjourns on Thursday, March 6, 1980, it does so in the honor and memory of Elmer L. Brown.

Section 3. That the Clerk of the House be directed to forward a copy of this resolution to the family of Elmer L. Brown.

HR 99 was adopted by voice vote.

Representative P. Richardson moved that the rules be suspended for the purpose of reporting and acting upon a Resolution. Agreed.

Representative P. Richardson moved the adoption of the following **HR 100:**

HR 100, A RESOLUTION adjourning the House in honor and memory of John Jacob Niles.

In kindest respect we pay homage of our friend, John Jacob Niles:

WHEREAS, John Jacob Niles, Kentucky balladeer, composer, folk artist and author, has crossed that final borne from which no traveler returns; and

WHEREAS, John Jacob Niles devoted more than sixty years of his life to writing songs, many of which chronicled the lives of mountain people; and

WHEREAS, several of the classic compositions penned by Niles include "I Wonder As I Wander," "Go Way From My Window" and "Black Is The Color Of My True Love's Hair;" and

WHEREAS, known for his folk ballads, Niles attracted many young folk music aspirants to his Boot Hill Farm near Lexington; and

WHEREAS, the many talents of John Jacob Niles were shared with and live on in the repertories of the young musicians who gathered around this great composer and singer; and

WHEREAS, this versatile artist authored several books, including *One Man's War*, a chronicle of the Lafayette Escadrille flying batallion, and *Brickdust and Buttermilk*, a poetry collection; and

WHEREAS, John Jacob Niles left an indelible impression upon all who were fortunate enough to have known and respected him;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House does express a deep sense of loss and bereavement upon the passing of John Jacob Niles and extends to his family heartfelt sympathy and condolences.

Section 2. That when the House does adjourn this day, Friday, March 7, 1980, it does so in honor and memory of John Jacob Niles.

Section 3. That the Clerk of the House be directed to forward a copy of this resolution to the family of John Jacob Niles.

HR 100 was adopted by voice vote.

Representative Mann moved that **HB 504** be returned to the Committee on Committees for reassignment.

On the roll call the vote was yeas 27-Arnold, Barrows, Bendl, Bennett, Blythe, Cawood, Clarke, Curd, Donnermeyer, Dunn, Gray, Hines, Isler, Johnson, Lewis, Little, Mann, Noe, Petty, Riner, Sale, Smith, Stone, Van Horn, White, Williams, Yates. Nays 11-Boswell, DeFalaise, Foster, Freibert, Fryman, Haering, Jones, Moberly, Morris, Plummer, Thomason.

The motion that **HB 504** be returned to the Committee on Committees for reassigned was adopted.

Representative Williams moved that **HB 165,** as amended, be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 35-Bendl, Bennett, Bronger, Cawood, Clarke, Crupper, Curd, Deskins, Dunn, Gray, Haering, Heleringer, Hines, Holbrook, Holloway, Jones, Kidd, List, Little, Mann, McKinney, Moberly, Morris, Noe, Priddy, Rapier, Sale, Schmidt, Stone, Thomas, Thomason, Van Horn, Wilborn, Williams, Yates. Nays 20-Blythe, Brinkley, Burnette, Caldwell, Craddock, Foster, Freibert, Fryman, Head, Johnson, Lewis, Pearman, Plummer, Richards, Riner, Robinson, Smith, Tobin, Worthington, Wright.

The motion that **HB 165** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative Isler moved that he be recorded as voting "nay" on **HB 504.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Bennett, **HB 549, HB 831;** Representative Blandford, **HR 104;** Representative Bronger, **HB 549, HB 875;** Representative Burch, **HB 875;** Representative Craddock, **HB 829;** Representative Ellington, **HB 792;** Representative Foster, **HB 838;** Representative Fryman, **HB 766;** Representative Gray, **HB 549, HB 831;** Representative Haering, **HB 666, HB 792;** Representative Holbrook, **HB 792;** Representative Little, **HB 549, HB 831;** Representative McNutt, **HB 668;** Representative Moberly, **HB 829;** Representative Plummer, **HB 899;** Representative Priddy, **HB 793;** Representative Romines, **HB 549, HB 831, HB 875;** Representative Turner, **HB 766;** Representative Van Horn, **HB 549, HB 831;** Representative Weinberg, **HB 326;** Representative Yates, **HB 831, HB 875.**

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to **HB 165,** by Representative Williams, is as follows:

Amend printed copy of **HB 165,** page 2, line 6, by adding a new section to KRS 189.345 to read as follows:

(4) Any other provisions of this statute notwithstanding any person violating this Act shall not lose any points on his operators license, but shall be fined not less than $25, nor more than $100.

Floor Amendment No. 2 to **HB 165,** by Representative Williams, is as follows:

Amend printed copy of **HB 165,** page 2, line 6, by inserting the following language after the word "used," when yielding to merging traffic and when exiting to the left.

Floor Amendment No. 1 to **HB 295,** by Representative Worthington, is as follows:

Amend printed copy of **HB 295,** page 9, line 15, by adding below line 15 a new section to read as follows:

"Section 4. The provisions of this Act shall take effect on January 1, 1982."

Floor Amendment No. 1 to **HB 449,** by Representative Williams, is as follows:

Amend printed copy of **HB 449,** page 1, line 4, by deleting the words "or personal"

Floor Amendment No. 1 to **HB 535,** by Representative LeMaster, is as follows:

Amend printed copy of **HB 535,** page 1, line 8, by inserting before the "." the following: "unless such policy affords coverage for the accident"

Floor Amendment No. 2 to **HB 535,** by Representative Smith, is as follows:

"Section 2. KRS 187.310 is amended to read as follows:

The department shall, upon request, furnish any person a certified abstract of the operating record of any person subject to the provisions of KRS 187.290 to 187.620, which abstract shall also fully designate the motor vehicles, if any, registered in the name of such person, and if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the department shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. The certified abstract shall not include accident reports filed with the bureau of state police under KRS 189.635 and the department shall not furnish to any person the accident report of a driver other than himself. *The certified abstract shall also not include motor vehicle violations for which no points are assessed.*

Section 3. KRS 304.13-030 is amended to read as follows:

(1) Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated;

(b) Rates shall not be excessive, inadequate or unfairly discriminatory;

(c) Due consideration shall be given:

1. To past and prospective loss experience within and outside this state;

2. To the conflagration and catastrophe hazards;

3. To a reasonable margin for underwriting profit and contingencies;

4. To dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers;

5. To past and prospective expenses both country wide and those specially applicable to this state;

6. To all other relevant factors within and outside this state; and

7. In the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent three-year period for which such experience is available;

(d) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or group of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(e) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks which may have a probable effect upon losses or expenses.

(f) Motor vehicle violations for which no points are assessed shall not be used to determine automobile insurance rates.

(2) Except to the extent necessary to meet the provisions of paragraph (b) of subsection (1) of KRS 304.13-030, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(3) Rates made in accordance with this section may be used subject to this subtitle."

Floor Amendment No. 1 to **HB 574**, by Representative Brown, is as follows:

Amend printed copy of **HB 574**, page 56, after line 5, by adding the following:

"Section 24. KRS 61.605 is amended to read as follows:

(1) Upon disability retirement, an employe may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his disability except that service credit shall be added to the employe's total service beginning with his last date of paid employment and continuing to his sixty-fifth (65th) birthday; however, the maximum service credit added shall not exceed the total service the employe had upon his last day of paid employment, and the maximum combined service credit for calculating his disability retirement allowance, including total service and added service shall not, *except as provided in subsection (2) of this section,* exceed twenty-five (25) years, except

when the employe has accumulated total service of twenty-five (25) or more years his total service shall be used in computing disability benefits.

(2) Any veteran of U. S. military service who has twenty-five (25) or more years of service credit and who is assigned a disability ratio of one hundred percent (100%) shall receive added service necessary to bring his combined total and added service to thirty (30) years. If such an individual has accumulated total service of more than thirty (30) years, his total service shall be used in computing disability benefits."

Floor Amendment No. 2 to **HB 574,** by Representative Weinberg, is as follows:

Amend printed copy of **HB 574,** page 56, after line 5, by adding the following:

"Section 24. KRS 61.605 is amended to read as follows:

Upon disability retirement, an employe may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his disability except that service credit shall be added to the employe's total service beginning with his last date of paid employment and continuing to his sixty-fifth (65th) birthday; however, the maximum service credit added shall not exceed the total service the employe had upon his last day of paid employment, and the maximum combined service credit for calculating his disability retirement allowance, including total service and added service shall not exceed twenty-five (25) years[, except when the employe has accumulated total service of twenty-five (25) or more years his total service shall be used in computing disability benefits]. *If, however, an employe has accumulated twenty-five (25) or more years of total service, he shall receive added service necessary to bring his combined service credit, including total and added service, to thirty (30) years. When the employe has accumulated total service of thirty (30) or more years, his total service shall be used in computing disability benefits.*"

Floor Title Amendment to the Committee Substitute to **HB 659** by Representative Bendl is as follows:

Amend printed copy of Committee Substitute for **HB 659,** page 1, by amending the title to read as follows:

"AN ACT relating to requirements for accessibility and safety for handicapped persons in buildings and accommodations."

The Clerk announced a meeting of the Subcommittee on Surface Mining, Monday, 1 p.m., Room 246.

Representative May moved that the rules be suspended for Report of Committees. Agreed.

Report of Committees

The Committee on Health and Welfare reported **HB 659,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 659, AN ACT relating to handicapped persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 227.200 is amended to read as follows:
As used in KRS 227.200 to 227.400, unless the context otherwise requires:
(1) "Commissioner" means the commissioner of housing, buildings and construction;
(2) "Department" means the department of housing, buildings and construction ;
(3) "Fire loss" means loss of or damage to property, loss of life or personal injury, by fire, lightning or explosion;
(4) "Owner" means any person who owns, occupies or has charge of any property;
(5) "Property" means property of all types, both real and personal, movable and immovable;

(6) "Rule" or "regulation" means a general order of the commissioner, designed for the prevention of fire loss, which affects or may affect property rights of a designated class of owners or for the prevention of fire loss by certain indicated hazards;

(7) "Order" or "special order" means an order of the state fire marshal, designed for the prevention of fire loss, that affects or may affect the property rights of a particular owner or designated property;

(8) As used in this section and KRS 227.305, unless the context otherwise requires:

(a) "Physically handicapped person" shall mean a person confined to a wheelchair; a person who uses braces or crutches; a person who because of the loss of a foot or leg or because of an arthritic, spastic, pulmonary or cardiac condition, walks with difficulty or insecurity; a person who suffers from a faulty coordination or palsy; a person who is blind or whose sight is so impaired that, functioning in a public area, he is insecure or exposed to danger; a person whose hearing is so impaired that he is unable to hear warning signals; and a person whose mobility, flexibility, coordination and perceptiveness are significantly reduced by aging;

(b) "Buildings and facilities" means all buildings, facilities, appurtenant grounds and curbs at crosswalks and intersections;

(c) "The BOCA basic building code/1978" means the seventh edition of the basic building code published by the building officials and code administrators international; and

(d) "Alteration" means a change or rearrangement in the structural parts or in the means of egress; or an enlargement, whether by extending on a side or by increasing in height; or the moving from one location or position to another.

[(b) "Public building" shall mean any building constructed, owned or leased by the commonwealth or any political subdivision thereof;

(c) "Public accommodation" shall mean any building serving the general public and otherwise defined as a public accommodation by Title II of the Federal Civil Rights Act of 1964, whether or not it affects interstate commerce;

(d) "Facility for physically handicapped persons" shall mean any convenience or device which facilitates the health, safety or comfort of a handicapped person, including, but not limited to, ramps, handrails, elevators, and doors;

(e) "American National Standard Institute Specifications" shall mean the American National Standard Institute Specifications for Making Buildings and Facilities Accessible to, and usable by, the Physically Handicapped, A 117.1-1961; and

(f) "Remodel" shall mean, with respect to an existing public building or public accommodation, to construct an addition, make substantial repairs, or substantially alter the appearance, design or layout.]

Section 2. KRS 227.305 is amended to read as follows:

(1) *The Kentucky board of housing, buildings and construction shall revise the uniform state building code adopted pursuant to KRS 198B.040(7) to incorporate the provisions of Section 315 of the BOCA basic building code/1978 as minimum requirements for making buildings and facilities accessible to physically handicapped persons* [The commissioner shall issue regulations relating to the minimum requirements for facilities for physically handicapped persons in all public buildings and public accommodations to be constructed or remodeled after June 21, 1974. In doing so he shall adopt those standards known as the American National Standard Institute Specifications].

(2) After June 21, 1974, no building permit or other official authorization for construction or *alteration of a building* [remodeling of a public building or public accommodation] by any person is valid unless the plans and specifications are in compliance with *provisions of the uniform state building code as revised* [the regulations issued by the commissioner pursuant to this section and KRS 227.200].

The Committee Substitute to **HB 659** is as follows:

HB 659, AN ACT relating to handicapped persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.010 is amended to read as follows:

As used in this chapter, unless otherwise provided:

(1) "Assembly occupancy" means the occupancy or use of a building or structure or any portion thereof by a gathering of persons for civic, political, travel, religious, social or recreational purposes; including among others:

(a) Armories;

(b) Assembly halls;

(c) Auditoriums;
(d) Bowling alleys;
(e) Broadcasting studios;
(f) Chapels;
(g) Churches;
(h) Clubrooms;
(i) Community buildings;
(j) Courthouses;
(k) Dance halls;
(l) Exhibition rooms;
(m) Gymnasiums;
(n) Hotels;
(o) Lecture rooms;
(p) Lodge rooms;
(q) Motels;
(r) Motion picture theaters;
(s) Museums;
(t) Night clubs;
(u) Opera houses;
(v) Passenger stations;
(w) Pool rooms;
(x) Recreation areas;
(y) Restaurants;
(z) Skating rinks;
(aa) Television studios;
(bb) Theaters.

(2) "Attic" means the space between the ceiling beams of the top habitable story and the roof rafters.

(3) "Basement" means that portion of a building the average height of which is at least half below grade, which is ordinarily used for purposes such as storage, laundry facilities, household tool shops, and installation and operation of heating, cooling and ventilating facilities, but which is not ordinarily used for purposes of general household habitation.

(4) "Building" means any combination of materials, whether portable or fixed, which comprises a structure affording facilities or shelter for any human occupancy, whether infrequent or regular. The word "building" shall be construed wherever used herein as if followed by the words "or part or parts thereof and all equipment therein" unless the context clearly requires a different meaning. "Building" shall also mean swimming pools constructed below grade on site, but not swimming pools assembled above grade on site. "Building" shall not mean a mobile home, or a farm dwelling or other farm buildings and structures incident to the operation and maintenance of the farm if such farm structures are located outside the boundary of a municipality and are not used in the business of retail trade or used as a place of regular employment for ten (10) or more people or structures used in the storage or processing of timber products. This chapter shall not apply to any single family dwelling except those sold or constructed under a trade or brand name.

(5) Any city, county or urban county government of the Commonwealth may extend, by ordinance, the application of this chapter to those single family dwellings exempted under subsection (4) of this section, but may not enforce any building code other than the uniform state building code on such dwellings.

(6) Nothing in this chapter shall be construed to exempt single family dwellings from those provisions of the uniform state building code that relate to the national electric code and the state plumbing code.

(7) "Business occupancy" means the occupancy or use of a building or structure or any portion thereof for the transaction of business, the rendering or receiving of professional services, or the displaying, selling or buying of goods, wares, or merchandise, or the housing of vehicles of transportation, except where occupancy is of high hazard; including among others:

(a) Banks;
(b) Barber shops;
(c) Beauty parlors;
(d) Department stores;
(e) Garages;
(f) Markets;
(g) Service stations;
(h) Offices;
(i) Stores;
(j) Radio stations;
(k) Telephone exchanges;

(l) Television stations.

(8) "Commissioner" means the commissioner of housing, buildings and construction.

(9) "Construction" means the erection, fabrication, reconstruction, substantial alteration or conversion of a building, or the installation of equipment therein.

(10) "Department" means the department of housing, buildings and construction.

(11) "Educational occupancy" means the occupancy or use of a building or structure or any portion thereof by persons assembled for the purpose of learning or of receiving education instruction; including among others:

(a) Academies;
(b) Care centers;
(c) Colleges;
(d) Kindergartens;
(e) Libraries;
(f) Pre-schools;
(g) Relocatable classroom unit;
(h) Schools;
(i) Seminaries;
(j) Universities.

(12) "Equipment" means facilities or installations, including but not limited to, heating, electrical, ventilating, air conditioning, and refrigerating facilities or installations.

(13) "High hazard occupancy" means the occupancy or use of a building or structure or any portion thereof that involves highly combustible, high flammable or explosive materials or which has inherent characteristics that constitute a special fire hazard including among others:

(a) Aluminum powder factories;
(b) Charging or filling stations;
(c) Distilleries;
(d) Dry cleaning plants;
(e) Dry dyeing plants;
(f) Explosive-manufacture, sale or storage;
(g) Flour and feed mills;
(h) Gasoline bulk plants;
(i) Grain elevators;
(j) Lacquer factories;
(k) Liquefied petroleum gas;
(l) Mattress factories;
(m) Paint factories;
(n) Pyroxylin-factories, or warehouses;
(o) Rubber factories.

(14) "Industrial occupancy" means the occupancy or use of a building structure or any portion thereof for assembling, fabricating, finishing, manufacturing, packaging or processing operations, except for occupancies of high hazard; including among others:

(a) Assembly plants;
(b) Creameries;
(c) Electrical substations;
(d) Factories;
(e) Ice plants;
(f) Laboratories;
(g) Laundries;
(h) Manufacturing plants;
(i) Mills;
(j) Power plants;
(k) Processing plants;
(l) Pumping stations;
(m) Repair garages;
(n) Smokehouses;
(o) Workshops.

(15) "Industrialized building system" means any structure or component thereof which is wholly or in substantial part fabricated in an off-site manufacturing facility for installation or assembly on a permanent foundation at the building site.

(16) "Institutional occupancy" means the occupancy or use of a building or structure or any portion thereof by persons harbored or detained to receive medical, charitable or other care or treatment, or by persons involuntarily detained; including among others:

(a) Asylums;
(b) Homes for the aged;
(c) Hospitals;
(d) Houses of Corrections;
(e) Infirmaries;
(f) Jails;
(g) Nursing homes;
(h) Orphanages;
(i) Penal institutions;
(j) Reformatories;
(k) Sanitariums;
(l) Nurseries.

(17) "Mobile home" means mobile home as defined in KRS 227.550(1).

(18) "Story" means that part of a building comprised between a floor and the floor or roof next above which is not a basement or an attic.

(19) "Physically handicapped person" means a person confined to a wheelchair; a person who uses braces or crutches; a person who because of the loss of a foot or leg or because of an arthritic, spastic, pulmonary or cardiac condition, walks with difficulty or insecurity; a person who suffers from a faulty coordination or palsy; a person who is blind or whose sight is so impaired that, functioning in a public area, he is insecure or exposed to danger; a person whose hearing is so impaired that he is unable to hear warning signals; and a person whose mobility, flexibility, coordination and perceptiveness are significantly reduced by aging.

(20) "Facility for physically handicapped persons" means any convenience or device which facilitates the health, safety or comfort of a handicapped person, including, but not limited to, ramps, handrails, elevators, and doors.

(21) "Remodel" means, with respect to an existing building, to construct an addition, make substantial repairs, or substantially alter the appearance, design or layout.

SECTION 2. A NEW SECTION OF KRS CHAPTER 198B IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created an architectural barriers advisory committee which shall be attached to the department of housing, buildings and construction for administrative purposes. The committee members shall be appointed by the governor to serve a term of two (2) years and shall be constituted as follows: three (3) persons having a physical handicap or disability, one (1) citizen at large and the public advocate or his designee.

(2) The committee shall meet at least quarterly or upon request of the board for the purposes of considering matters relating to accessibility and safety in facilities for persons with physical handicaps. The committee shall make recommendations to and otherwise advise the department and the board on these matters.

(3) The committee members will receive no compensation for their services, but will be reimbursed for their necessary travel expenses.

SECTION 3. A NEW SECTION OF KRS CHAPTER 198B IS CREATED TO READ AS FOLLOWS:

(1) Within one (1) year of the effective date of this Act, the board of housing, buildings and construction shall issue regulations which will establish the requirements necessary for making buildings accessible to and useable by physically handicapped persons. Such regulations shall require, as a minimum, that all buildings, with the exception of one (1) and two (2) family dwellings and multi-family projects consisting of twenty-four (24) living units or less, be accessible to physically handicapped persons. These regulations shall be incorporated in the Kentucky building code.

(2) The regulations issued by the board shall be designed after and may be selected from models such as the North Carolina building code, the BOCA basic building code and other nationally recognized codes.

(3) No building permit or other official authorization for construction or remodeling of any building shall be valid unless the plans and specifications are in compliance with the accessibility requirements as stated in the Kentucky building code.

SECTION 4. A NEW SECTION OF KRS CHAPTER 198B IS CREATED TO READ AS FOLLOWS:

The requirements for accessibility as established in 815 KAR 40:010 on November 13, 1974 shall remain in effect until such time as the board shall file new regulations pursuant to Section 3.

Section 5. KRS 227.200 is amended to read as follows:

As used in KRS 227.200 to 227.400, unless the context otherwise requires:

(1) "Commissioner" means the commissioner of housing, buildings and construction;

(2) "Department" means the department of housing, buildings and construction ;

(3) "Fire loss" means loss of or damage to property, loss of life or personal injury, by fire, lightning or explosion;

(4) "Owner" means any person who owns, occupies or has charge of any property;

(5) "Property" means property of all types, both real and personal, movable and immovable;

(6) "Rule" or "regulation" means a general order of the commissioner, designed for the prevention of fire loss, which affects or may affect property rights of a designated class of owners or for the prevention of fire loss by certain indicated hazards;

(7) "Order" or "special order" means an order of the state fire marshal, designed for the prevention of fire loss, that affects or may affect the property rights of a particular owner or designated property[;

(8) As used in this section and KRS 227.305, unless the context otherwise requires:

(a) "Physically handicapped person" shall mean a person confined to a wheelchair; a person who uses braces or crutches; a person who because of the loss of a foot or leg or because of an arthritic, spastic, pulmonary or cardiac condition, walks with difficulty or insecurity; a person who suffers from a faulty coordination or palsy; a person who is blind or whose sight is so impaired that, functioning in a public area, he is insecure or exposed to danger; a person whose hearing is so impaired that he is unable to hear warning signals; and a person whose mobility, flexibility, coordination and perceptiveness are significantly reduced by aging;

(b) "Public building" shall mean any building constructed, owned or leased by the commonwealth or any political subdivision thereof;

(c) "Public accommodation" shall mean any building serving the general public and otherwise defined as a public accommodation by Title II of the Federal Civil Rights Act of 1964, whether or not it affects interstate commerce;

(d) "Facility for physically handicapped persons" shall mean any convenience or device which facilitates the health, safety or comfort of a handicapped person, including, but not limited to, ramps, handrails, elevators, and doors;

(e) "American National Standard Institute Specifications" shall mean the American National Standard Institute Specifications for Making Buildings and Facilities Accessible to, and usable by, the Physically Handicapped, A 117.1-1961; and

(f) "Remodel" shall mean, with respect to an existing public building or public accommodation, to construct an addition, make substantial repairs, or substantially alter the appearance, design or layout].

Section 6. KRS 227.305, minimum requirements for facilities for physically handicapped in public buildings and public accommodations—regulations—, is repealed.

The Committee on Transportation reported **HB 317** with Committee Substitute attached thereto, **HB 581** with Committee Amendment attached thereto, and **HR 52** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 317, AN ACT relating to train derailments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.240 is amended to read as follows:

Notwithstanding any other provision of law to the contrary the attorney general shall have authority to initiate actions or intervene in actions brought pursuant to the provisions of KRS Chapters 146, 151, 217B, 224, *277* and 350.

Section 2. KRS 277.310 is amended to read as follows:

(1) Every common carrier by railroad, while engaged in commerce in this state, shall be liable in damages to any person suffering injury while he is employed by the carrier in such commerce, and in case of the death of such person shall be liable to his personal representative, for such injury or death as resulted in whole or in part from the negligence of any of the officers, agents or employes of the carrier, or by reason of any defect or insufficiency, due to its negligence, in its track, roadbed, rolling stock, machinery, docks, boats, wharves or other equipment.

(2) Every common carrier by railroad, while engaged in commerce in this state, shall be liable for actual and necessary expenses incurred by a railroad accident or derailment. The railroad shall reimburse the affected local governing body or governmental agency for all expenses actual or necessary relating to evacuation, clean-up or other expenses incurred as a direct result of said derailment.

(3) In the event the railroad company responsible does not reimburse the affected local governing body or governmental agency, the attorney general shall, upon the request of a local governing body or governmental agency, or may upon his own initiative institute a suit or other appropriate legal action against

the railroad or railroads involved on behalf of the local governing body or governmental agency for recovery of actual and necessary expenses as provided in this Act together with the costs of the suit.

The Committee Substitute to **HB 317** is as follows:

HB 317, AN ACT relating to public safety.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.240 is amended to read as follows:

Notwithstanding any other provision of law to the contrary the attorney general shall have authority to initiate actions or intervene in actions brought pursuant to the provisions of KRS Chapters 146, 151, 217B, 224, [and] 350 *and Section 2 of this Act.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 438 IS CREATED TO READ AS FOLLOWS:

(1) Every common carrier as defined by KRS 183.011, 276.010 and 281.011 while engaged in commerce in this state, shall be liable for actual and necessary expenses incurred by an accident or derailment. The common carrier shall reimburse the affected state or local governing body or governmental agency for all expenses actual or necessary relating to evacuation, clean-up, or other expenses incurred as a direct result of said accident or derailment, except for salaries for public employes or services provided by said government which are not usually assessed to the user or taxpayer.

(2) In the event the common carrier responsible does not, after proper demand, reimburse the affected state or local governing body or governmental agency, the attorney general may, upon a request of a state or local governing body or governmental agency, or may upon his own initiative institute a suit or other appropriate legal action against the common carrier involved on behalf of the state or local governing body or governmental agency for recovery of actual and necessary expenses as provided in this Act together with the costs of the suit.

HB 581, AN ACT relating to motor vehicle and housetrailer permits.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.270 is amended to read as follows:

(1) The bureau may prescribe, by orders of general application, rules and regulations for the issuance by it of permits for the operation of motor vehicles and housetrailers whose gross weight including load, height, width or length exceeds the limits prescribed by this chapter or which in other respects fail to comply with the requirements of this chapter *including the issuance of permits for the hauling of heavy equipment or other property which in the discretion of the bureau is not reasonably subject to being divided in order to be transported.* [Permits may be issued by the bureau for stated periods, special purposes and unusual conditions, and upon such terms in the interest of public safety and the preservation of the highways as the bureau may, in its discretion, require. The bureau shall require, as a condition to the issuance of the permit, that the applicant pay a reasonable fee, to be fixed by it, and may require that the applicant give bond, with approved surety, to indemnify the state or counties against damage to highways or bridges resulting from use by the applicant. The operation of motor vehicles and housetrailers in accordance with the terms of any such permit shall not constitute a violation of this chapter if the operator has the permit, or a copy of it, authenticated as the bureau may require, in his possession.

(2) No person shall operate any motor vehicle or housetrailer in violation of the terms of the permit.

The Committee Amendment No. 1 to **HB 581** is as follows:

Amend printed copy of **HB 581,** page 1, line 13, before the word "Permits", delete bracket

On page 1, line 17, after the word "require." delete the bracket

On page 2, line 9, by adding: "*(3) No permit shall be required to transport farm implements, either self-propelled or by truck, from one farm to another, or from a farm to a repair shop or dealer or from a dealer or repair shop to a farm, or from a manufacturer to a dealer or from a dealer to a manufacturer. This exclusion shall be subject to requirements of federal law and state safety requirements.*"

HR 52, A RESOLUTION requesting the Department of Transportation to study railroad grade crossings in Kentucky.

WHEREAS, Emergency Medical Vehicles provide a vital and necessary service to communities, large and small, throughout Kentucky; and

WHEREAS, many small communities served by emergency medical vehicles can be accessed only at certain times due to the presence of railroad tracks bisecting roads into town and the subsequent movement of trains at irregular intervals; and

WHEREAS, a seriously ill person being transported from Dwale, Kentucky to a nearby hospital recently died in an emergency medical vehicle which waited 20 minutes for a train to pass; and

WHEREAS, funds for the improvement of railroad grade crossings are available from the federal government; and

WHEREAS, these funds should be used to remove impediments to vehicular traffic in communities so affected to insure the delivery of essential services to all Kentuckians;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department of Transportation is requested to study railroad grade crossings in Kentucky to determine the number and location of communities to which access is limited or cut-off by the movement of trains.

Section 2. That the Department of Transportation after identifying these sites, is hereby requested to report no later than December 1, 1980 to the appropriate interim committees of the legislature which sites are eligible for improvements with federal project funds.

Section 3. That a copy of this resolution be transmitted by the Director of the Legislative Research Commission to the Department of Transportation, office of Traffic Safety.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Health and Welfare: **HB 855, HB 541, HB 624.**

Business Organizations and Professions: **HB 608, HB 844, HB 671, HB 841.**

Agriculture and Small Business: **HB 909, HB 729, HB 901, HJR 104.**

Natural Resources and Environment: **HB 715.**

Labor and Industry: **HB 923, HB 924.**

Judiciary: **HB 814, HB 823, HB 17.**

Education: **HB 628, HB 925.**

Counties and Special Districts: **HB 564, HB 734, HB 911, HB 545, HB 730, HB 804, HB 298, HB 672, SB 44, SB 172.**

Health and Welfare: **HB 920.**

Appropriations and Revenue: **HB 793, HB 374, HB 569, HB 58.**

Banking and Insurance: **HB 888, HB 839, HB 850, HB 571.**

Adjournment

Representative May moved that the House adjourn until 3 p.m., Monday, March 10, 1980.

On the roll call the vote was yeas 48-Allen, Arnold, Barrows, Bendl, Bennett, Boswell, Brown, Bruce, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Donnermeyer, Freibert, Gray, Hancock, Holloway, Jones, Kidd, May, McBee, Moberly, Morris, Nett, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, Riner, Schmidt, Smith, Stone, Stumbo, Thomas, Thomson, Tobin, Turner, Van Horn, White, Wilborn, Williams, Worthington. Nays 3-Deskins, Dunn, Guenthner.

The motion to adjourn was adopted.

MONDAY, MARCH 10, 1980

FORTIETH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend John L. Hunt, South Frankfort Presbyterian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Tobin.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative B. Richardson moved that the rules be suspended to allow the privilege of the Floor to Representative Porter Reynolds, who is to be sworn in as a new member of the House of Representatives on March 12, 1980. Agreed.

Representative Porter Reynolds was allowed the privilege of the Floor.

Representative Brinkley moved that the reading of the Journal of March 7, 1980, be dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **SB 133.**

Elections and Constitutional Amendments: **SB 225.**

Health and Welfare: **SB 196, SR 23.**

Judiciary: **SB 271, SB 249.**

Transportation: **SB 136, SB 4.**

Report of Committees

The Committee on Rules reported **HB 141, HB 152, HB 189, HB 236, HB 273, HB 306, HB 456, HB 459, HB 481, HB 482, HB 518, HB 552, HB 566, HB 609, HB 613, HB 617, HB 642, HB 656, HB 724, HJR 24, SB 75, SB 90, SB 142, SB 143,** and **SB 147** have been posted for passage in Orders of the Day, March 11, 1980.

The Committee on Rules reported the following Bills have been recommitted:

HB 345 to the Committee on Appropriations and Revenue.

HB 395 to the Committee on Education.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bill has been posted for Committee consideration:

Health and Welfare: **HB 944.**

Calendar

HB 659, HB 317, HB 581, and **HR 52** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **HB 84** with Senate Amendments, **SB 124, SB 152, SB 153, SB 181, SB 204, SB 205, SB 215, SB 216, SB 233, SB 258, SB 263, HB 280, HB 346,** and **HB 397.**

Orders of the Day

HB 295, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dunn moved the adoption of the Floor Amendment No. 1 to **HB 295.** Agreed.

Representative Dunn moved that **HB 295,** as amended, be passed.

On the roll call the vote was yeas 46-Adams, Allen, Barrows, Bendl, Bennett, Blythe, Bronger, Brown, Burch, Cawood, Clark, Clarke, Cyrus, Davenport, DeFalaise, Dunn, Hines, Holbrook, Johnson, Jones, Kenton, Layman, Little, Lundergan, May, Maynard, McBee, McKinney, Moberly, Nett, Noe, Patrick, Plummer, Priddy, Richards, B. Richardson, Romines, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Yates. Nays 45-Arnold, Blandford, Boswell, Brinkley, Bruce, Burnette, Caldwell, Clapp, Craddock, Crupper, Curd, Dawahare, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holloway, Isler, LeMaster, List, Mann, McNutt, O'Brien, Overstreet, Pearman, Petty, Rapier, Rattliff, P. Richardson, Riner, Sale, Schmidt, Smith, Stone, Stumbo, Wright.

HB 295, as amended, was passed and the title agreed to.

Representative Dunn moved that the vote by which **HB 295,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HJR 40, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved the adoption of the Floor Amendment No. 3 to **HJR 40.** Agreed.

Representative Smith moved the adoption of the Floor Amendment No. 2 to **HJR 40.**

On the roll call the vote was yeas 42-Adams, Arnold, Boswell, Bruce, Burnette, Clark, Craddock, Crupper, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Head, Heleringer, Jones, LeMaster, List, Little, May, Morris, Nett, Noe, Pearman, Plummer, Richards, P. Richardson, Robinson, Sale, Smith, Stone, Turner, White, Yates. Nays 37-Allen, Barrows, Bendl, Bennett, Blandford, Brinkley, Bronger, Caldwell, Cawood, Clarke, Curd, Dunn, Freibert, Haering, Hancock, Hines, Holbrook, Isler, Johnson, Kenton, Maynard, McBee, Moberly, O'Brien, Patrick, Petty, Rapier, Rattliff, B. Richardson, Riner, Schmidt, Stumbo, Thomason, Van Horn, Weinberg, Wilborn, Wright.

Floor Amendment No. 2 to **HJR 40** was adopted.

Representative Wilborn moved that **HJR 40,** as amended, be passed.

On the roll call the vote was yeas 59-Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Brown, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Haering, Head, Isler, Johnson, Kidd, LeMaster, Little, Lundergan, Mann, May, Maynard, McBee, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Richards, Riner, Robinson, Romines, Sale, Stone, Stumbo, Thomason, Van Horn, Weinberg, Wilborn, Worthington, Wright, Yates. Nays 25-Adams, Allen, Crupper, Curd, Cyrus, DeFalaise, Ellington, Gray, Guenthner, Hancock, Holbrook, Kenton, Layman, List, Noe, Patrick, Rapier, Rattliff, B. Richardson, P. Richardson, Schmidt, Smith, Thomas, Turner, White.

HJR 40, as amended, was passed and the title agreed to.

Representative Wilborn moved that the vote by which **HJR 40,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 448 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 448** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 448 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 448** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 425 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved that **HB 425** be passed.

On the roll call the vote was yeas 53-Barrows, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Cawood, Clark, Craddock, Crupper, Curd, Cryus, Davenport, DeMarcus, Donnermeyer, Ellington, Farrow, Foster, Gray, Haering, Hancock, Head, Heleringer, Hines, Isler, Johnson, Kidd, LeMaster, Lundergan, Mann, McBee, McNutt, Nett, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Riner, Robinson, Romines, Sale, Stone, Stumbo, Thomas, Weinberg, Wilborn, Wright, Yates. Nays 18-Adams, Allen, Bennett, Blythe, Caldwell, Clarke, Dunn, Freibert, Guenthner, Holbrook, Holloway, Kenton, Layman, List, Morris, Schmidt, Turner, Van Horn.

HB 425 was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 425** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 450, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Committee Amendment No. 1 to **HB 450.** Agreed.

Representative Bendl moved that **HB 450,** as amended, be passed.

On the roll call the vote was yeas 82-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 3-DeMarcus, Foster, Fryman.

HB 450, as amended, was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 450,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 535, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Amendment No. 1 to **HB 535.** Agreed.

Representative LeMaster moved the adoption of the Floor Amendment No. 1 to **HB 535.** Agreed.

Representative LeMaster moved that **HB 535,** as amended, be passed.

Representative Smith moved the adoption of the Floor Amendment No. 2 to **HB 535.**

On the roll call the vote was yeas 7-Caldwell, Cyrus, Gray, Heleringer, Isler, Smith, Yates. Nays 67-Adams, Allen, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Davenport, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Johnson, Kenton, LeMaster, List, Little, May, McNutt, Moberly, Morris, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright.

Floor Amendment No. 2 to **HB 535** was rejected.

Representative LeMaster moved that **HB 535,** as amended, be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 2-Caldwell, B. Richardson.

HB 535, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 535,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 550 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 550** be passed.

On the roll call the vote was yeas 77-Adams, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Craddock, Crupper, Deskins, Donnermeyer, Dunn, Ellington, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, May, Maynard, McBee, McKinney, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 7-Allen, Curd, Cyrus, Davenport, Farrow, Turner, Wilborn.

HB 550 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 550** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 85, HB 88, HB 155, HB 293, HB 332, HB 402, HB 42, HB 83, HB 103,** and **HB 158** had been examined and found correctly enrolled. Said bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 85, HB 88, HB 155, HB 293, HB 332, HB 402, HB 42, HB 83, HB 103, and **HB 158** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

Speaker Pro Tempore Hancock presiding.

HB 515 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved that **HB 515** be passed.

On the roll call the vote was yeas 66-Adams, Arnold, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Guenthner, Hancock, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Little, Lundergan, May, Maynard, McBee, McKinney, Nett, Noe, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, White, Worthington, Yates. Nays 16-Allen, Blythe, Caldwell, Clarke, Deskins, Ellington, Freibert, Haering, Layman, Mann, McNutt, Moberly, Morris, Turner, Wilborn, Wright.

HB 515 was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 515** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 562 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved that **HB 562** be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, List, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 562 was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 562** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 576 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 576** be passed.

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 576 was passed and the title agreed to.

HB 600 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rattliff moved that **HB 600** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, Maynard, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 600 was passed and the title agreed to.

Representative Rattliff moved that the vote by which **HB 600** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 603 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 603** be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 603 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 603** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 643 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 643** be passed.

On the roll call the vote was yeas 47-Adams, Arnold, Bendl, Blair, Boswell, Brinkley, Brown, Bruce, Clapp, Clark, Clarke, Craddock, Crupper, Donnermeyer, Dunn, Foster, Hancock, Head, Hines, Holbrook, Isler, Jones, Kenton, LeMaster, List, Lundergan, Mann, May, McBee, McNutt, Morris, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Stone, Thomason, Weinberg, Worthington. Nays 41-Allen, Barrows, Bennett, Blandford, Blythe, Bronger, Burch, Burnette, Caldwell, Cawood, Curd, Cyrus, Davenport, DeFalaise, Deskins, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Holloway, Johnson, Layman, Maynard, Moberly, Overstreet, Patrick, Plummer, Rapier, Robinson, Smith, Stumbo, Turner, Van Horn, White, Wilborn, Williams, Wright.

HB 643 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 643** was passed be reconsidered and said motion be postponed indefinitely.

On the roll call the vote was yeas 45-Adams, Arnold, Bendl, Blair, Boswell, Brinkley, Bruce, Clapp, Clark, Craddock, Davenport, Donnermeyer, Dunn, Foster, Freibert, Hines, Holbrook, Isler, Jones, Kenton, Kidd, LeMaster, List, Lundergan, Mann, May, McKinney, McNutt, Morris, Nett, O'Brien, Pearman, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Weinberg. Nays 29-Allen, Barrows, Bennett, Blythe, Bronger, Burnette, Caldwell, Cawood, Curd, Cyrus, DeFalaise, Deskins, Farrow, Fryman, Gray, Guenthner, Heleringer, Holloway, Johnson, Layman, Maynard, Overstreet, Patrick, Rapier, Smith, Van Horn, Williams, Wright, Yates.

The motion that the vote by which **HB 643** was passed be reconsidered and said motion be postponed indefinitely was adopted.

HB 657 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

The Speaker resumed the Chair.

Representative B. Richardson moved that **HB 657** be passed.

On the roll call the vote was yeas 50-Adams, Arnold, Barrows, Bendl, Blair, Blandford, Boswell, Brinkley, Bruce, Clark, Clarke, Craddock, Cyrus, Dawahare, Donnermeyer, Dunn, Foster, Hancock, Head, Hines, Holbrook, Isler, Jones, Kenton, Kidd, LeMaster, List, Lundergan, Mann, May, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Stone, Thomason, Weinberg, Worthington. Nays 37-Allen, Bennett, Blythe, Bronger, Burch, Burnette, Caldwell, Cawood, Curd, Davenport, DeFalaise, Deskins, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Johnson, Layman, Maynard, Overstreet, Patrick, Plummer, Rapier, Robinson, Smith, Stumbo, Thomas, Turner, Van Horn, White, Wilborn, Williams, Wright, Yates.

HB 657 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 657** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 658 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected. Representative B. Richardson moved that **HB 658** be passed.

On the roll call the vote was yeas 51-Adams, Arnold, Bendl, Blair, Boswell, Brown, Bruce, Burnette, Clark, Clarke, Craddock, Crupper, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Foster, Hancock, Head, Holbrook, Isler, Johnson, Jones, Kenton, LeMaster, List, Little, Lundergan, Mann, May, McBee, McNutt, Morris, Nett, Noe, O'Brien, Pearman, Petty, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Sale, Schmidt, Stone, Thomas, Thomason, Weinberg, Worthington. Nays 36-Allen, Barrows, Bennett, Blandford, Blythe, Bronger, Burch, Caldwell, Cawood, Curd, Davenport, DeFalaise, Deskins, Farrow, Freibert, Fryman, Guenthner, Haering, Heleringer, Holloway, Layman, Maynard, Moberly, Overstreet, Patrick, Plummer, Priddy, Rapier, Robinson, Smith, Turner, Van Horn, White, Wilborn, Williams, Yates.

HB 658 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 658** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 664 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 664** be passed.

On the roll call the vote was yeas 50-Adams, Arnold, Barrows, Bendl, Blair, Brinkley, Brown, Bruce, Burch, Clapp, Clarke, Craddock, Crupper, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Foster, Hancock, Head, Hines, Holbrook, Isler, Jones, Kenton, LeMaster, List, Lundergan, Mann, May, McBee, Morris, Nett, O'Brien, Pearman, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Weinberg. Nays 38-Allen, Bennett, Blandford, Blythe, Boswell, Bronger, Burnette, Cawood, Curd, DeFalaise, Deskins, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Holloway, Layman, Little, Maynard, McNutt, Moberly, Noe, Overstreet, Patrick, Plummer, Rapier, Robinson, Smith, Turner, Van Horn, White, Wilborn, Williams, Wright.

HB 664 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 664** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HJR 65 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kidd moved that **HJR 65** be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HJR 65 was passed and the title agreed to.

Representative Kidd moved that the vote by which **HJR 65** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 146, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McBee moved the adoption of the Committee Amendment No. 1 to **SB 146.** Agreed.

Representative McBee moved that **SB 146,** as amended, be passed.

On the roll call the vote was yeas 55-Bendl, Blandford, Boswell, Brinkley, Brown, Bruce, Burch, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Hancock, Head, Hines, Isler, Johnson, Kenton, Layman, Lundergan, Mann, May, McBee, McKinney, Moberly, Nett, Noe, Pearman, Petty, Plummer, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Thomas, White, Wilborn, Worthington, Wright, Yates. Nays 29-Adams, Allen, Bennett, Blair, Burnette, Caldwell, Clarke, DeFalaise, Deskins, Ellington, Fryman, Guenthner, Haering, Holbrook, Holloway, Jones, LeMaster, List, Maynard, McNutt, Morris, O'Brien, Overstreet, Smith, Stumbo, Thomason, Van Horn, Weinberg, Williams.

SB 146, as amended, was passed and the title agreed to.

Representative McBee moved that the vote by which **SB 146,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 165, as amended by Committee Amendment No. 1, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved the adoption of the Floor Amendment No. 1 to **HB 165.**

On the roll call the vote was yeas 61-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Boswell, Bronger, Burch, Burnette, Caldwell, Cawood, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holloway, Kenton, LeMaster, Mann, May, McBee, Moberly, Morris, Noe, Overstreet, Pearman, Plummer, Priddy, Richards, B. Richardson, P. Richardson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Wilborn, Williams, Worthington, Wright, Yates. Nays 5-Blair, Craddock, Fryman, Isler, Robinson.

Floor Amendment No. 1 to **HB 165** was adopted.

Representative Williams moved the adoption of the Floor Amendment No. 2 to **HB 165.**

On the roll call the vote was yeas 65-Adams, Allen, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Cawood, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Kenton, Kidd, LeMaster, Mann, May, McBee, Morris, Noe, Overstreet, Pearman, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Wilborn, Williams, Worthington, Wright, Yates. Nays 2-Fryman, Isler.

Floor Amendment No. 2 to **HB 165** was adopted.

Representative Williams moved that **HB 165,** as amended, be passed.

On the roll call the vote was yeas 32-Bendl, Bennett, Blythe, Brown, Cawood, Clark, Clarke, Davenport, DeFalaise, Dunn, Freibert, Guenthner, Haering, Hancock, Hines, Holbrook, Holloway, Kenton, Kidd, Lundergan, Mann, Moberly, Morris, Noe, Sale, Schmidt, Thomas, Thomason, Turner, Van Horn, Wilborn, Williams. Nays 49-Adams, Allen, Barrows, Blair, Blandford, Boswell, Brinkley, Bronger, Burnette, Caldwell, Clapp, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Ellington, Farrow, Foster, Fryman, Gray, Head, Isler, Layman, LeMaster, List, May, McBee, McKinney, McNutt, Nett, Overstreet, Pearman, Petty, Plummer, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Smith, Stone, Stumbo, Weinberg, White, Worthington, Wright.

HB 165, as amended, was defeated.

Representative B. Richardson moved that the vote by which **HB 165,** as amended, was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Speaker Pro Tempore Hancock presiding.

Motions, Petitions, and Communications

Representative Arnold moved that **HB 956** be returned to the Committee on Committees.

On the roll call the vote was yeas 26-Allen, Barrows, Bendl, Blythe, Brinkley, Caldwell, Clarke, Craddock, Crupper, Curd, Davenport, Farrow, Fryman, Head, Heleringer, Kidd, Lewis, List, Little, Petty, P. Richardson, Sale, Thomas, Turner, Wilborn, Williams. Nays 0.

The motion that **HB 956** be returned to the Committee on Committees was adopted.

Representative Freibert requested that her vote be changed from "yea" to "nay" on **HB 499.** Agreed.

Representative Crupper moved the adoption of the following Legislative Citation No. 47:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes with gratitude the Frankfort High School Basketball team and your Coach, Mr. Larry Cheatham, for your successful year, 1979-80, as Championship winner of the Capital City Classic, held December 1 at the Sports and Convention Center, Frankfort, Kentucky. You demonstrated a fine spirit, cooperative attitude and a great performance. Leadership qualities are quite evident for a second year coach with your participation in the Central Kentucky Conference and the Louisville Invitational Tournament. You brought great honor to your school and community. We salute you and extend our very best wishes for future success. (Sponsored by Representative Hancock)

Agreed.

Representative Deskins moved that **HB 863** be returned to the Committee on Committees.

On the roll call the vote was yeas 21-Arnold, Barrows, Caldwell, Craddock, Crupper, Curd, Davenport, DeFalaise, Deskins, Dunn, Foster, Hancock, LeMaster, Rapier, P. Richardson, Stone, Turner, Van Horn, White, Williams, Worthington. Nays 3-Bendl, List, Schmidt.

The motion that **HB 863** be returned to the Committee on Committees was adopted.

Representative Blair requested that he be recorded as voting in the following manner: **HB 515,** Nay; **HB 45,** Yea; **HB 448,** Yea; **HJR 40,** Yea; **HB 295,** Yea.

Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Farrow, **HB 891;** Representative Heleringer, **HB 659, HB 927, HB 925.**

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 4 to **HB 182,** by Representative Lundergan, is as follows:

Amend printed copy of **HB 182,** page 1, line 3, by deleting the bracket before the word "In" and on line 21, by deleting the bracket after the word "limitations:"

On page 1, line 17, after the number (3), by adding a new subsection as follows:

"*In any city, county or urban county government where the legislative body has failed to enact ordinances permitting retail sales and activities on Sunday, the matter may be put to a vote of the people. Upon a petition signed by eligible voters in a number equal to twenty-five percent (25%) of the voters who voted in the last general election, a proposition to permit retail sales and activities on Sunday shall be placed on the ballot for the next general election. Any such petition shall be submitted to the county clerk of that county for verification of the signatures. The petition shall be submitted at least three (3) months prior to a general election to be eligible for placement of the question on the ballot.*"

On page 1, line 17, by inserting the number "*(4)*" before the word "Notwithstanding"

On page 1, line 9, after the word "subsection" by inserting the number "*(4)*" and by placing brackets around the number "(3)".

On page 1, line 16, after the word "subsection", by adding the number "*(4)*" and by placing brackets around the number "(3)".

On page 1, line 17, after the number "(1)", by bracketing the word "and", and after the number "(2)" by inserting "*and (3)*".

On page 2, line 1, by deleting the number "*(1)*" and by removing the brackets from the letter "(a)".

On page 2, line 5, by deleting the number "*(2)*" and by removing the brackets from the letter "(b)".

On page 2, by deleting lines 11 through 16 in their entirety.

On page 2, line 17, by removing the bracket before the letter "(c)" and on line 20 by removing the bracket after the word "Sunday."

On page , line 21, by deleting the number "*(4)*" and by removing the brackets from the letter "(d)".

On page 3, line 1, by deleting the number "*(5)*" and inserting in lieu thereof the letter "*(e)*".

On page 3, line 7, by deleting Section 2 in its entirety.

Floor Amendment No. 1 to **HB 273,** by Representative Deskins, is as follows:

Amend printed copy of Committee Substitute for **HB 273,** page 1, line 3, after the word "commissioner" by inserting the words "*shall be elected*"

And on page 1, line 3, by placing a "[" before the word "may" and a "]" after the word "appointed"

And on page 1, line 4, following the word "circuit." by adding the following: "*The election for master commissioner shall be on a nonpartisan basis on the same terms and conditions as that of a district judge. The term of office for the master commissioner shall be four (4) years.*"

And on page 1, line 5, by placing a "[" before "(a)" and by placing "________" through the remainder of the text on that line and on lines 6 through 10

And on page 1, line 10, by placing a "]" following the word "vote"

And on page 1, line 15, by placing a "[" before "(3)" and by placing "______" through the remainder of the text on that line and on lines 16 through 21

And on page 2, lines 1 through 10, by placing "______" through the text appearing thereon

And on page 2, line 10, by placing a "]" following the word "judge."

And on page 2 and page 3, by renumbering the subsections to conform.

Floor Amendment No. 1 to **HB 326,** by Representative Burnette, is as follows:

Amend printed copy of **HB 326,** page 1, line 5, by deleting "45A.375" and inserting in lieu thereof "45A.440"; and

On page 1, line 6 by deleting "45A.375" and inserting in lieu thereof "45A.440"; and

On page 2, line 1, by deleting "45A.375" and inserting in lieu thereof "45A.440"; and

On page 2, lines 4 and 5, by deleting "45A.380 and KRS 45A.385" and inserting in lieu thereof "424.260"; and

On page 7, between lines 11 and 12, by inserting the following:

Section 6. KRS 45A.385 is amended to read as follows:

(1) The local public agency shall establish small purchase procedures which shall be in writing and available to the public.

(2) Small purchase procedures may be used for the award of any contract or purchase which does not exceed an aggregate amount of *five thousand* [twenty-five hundred] dollars *($5,000)* [($2,500)].

(3) Supplies, services or construction normally supplied as a unit cannot be artifically divided for the sole purpose of using small purchase procedures. Supplies, services or construction to be supplied over a period of time at the same unit price shall be considered a single purchase contract. A contract may be for any period of time that will provide the most beneficial market price to the local public agency, provided no time period shall be fixed for the sole purpose of avoiding the requirements of competitive sealed bidding or negotiation.

And, on page 7, line 12, by changing "Section 6" to "Section 7".

Floor Amendment No. 1 to **HB 461,** by Representative Heleringer, is as follows:

Amend printed copy of **HB 461,** page 1, lines 8 through 12, by inserting period after the word "Kentucky.", and deleting the following language: *not less than two (2) of the members shall be appointed by the governor from a list of five (5) persons submitted by the Kentucky division of the horsemen's benevolent and protective association.*

Floor Amendment No. 1 to the Committee Substitute to **HB 502,** by Representative Farrow, is as follows:

Amend printed copy of Committee Substitute for **HB 502,** page 3, line 1, by deleting the word "*not*" and the word "*first*", and by substituting for the word "*first*" the following "*second or third*";

And on line 4, by adding after the word "*districts*" the following: ". *(d) Counties which do not contain a city of the first, second or third class shall be governed by subsections (a) and (b) of this section*"

Floor Amendment No. 1 to **HB 532,** by Representative Gray, is as follows:

Amend printed copy of **HB 532,** page 68, line 4, following "of" and before the period on line 5, by deleting "*two hundred eight (208) weeks*" and inserting in lieu thereof "*five hundred and twenty (520) weeks*".

Floor Amendment No. 1 to the Committee Substitute to **HB 566,** by Representative Stumbo, is as follows:

Amend printed copy of Committee Substitute to **HB 566,** page 13, line 8, after "coverage." by adding the following:

No permit shall be issued under this Act unless the permittee can show by proof satisfactory to the department that surface coal mining was known as a method of mining in the area of Kentucky at the time that the mineral estate was sold. Or that the surface owners affected under the permit requested know and agreed that surface coal mining as a method of extracting the mineral is suitable considering the particular topographical and geological conditions and that the surface estate will not be reduced in value as a result of said surface mining operations.

Floor Amendment NO. 1 to **HB 724,** by Representative Donnermeyer, is as follows:

Amend printed copy of **HB 724,** page 4, line 22 through 26 after the word "than" by deleting in its entirety through the word "census" on line 26 page 4, line 26, and page 5, line 1 by deleting the words "five hundred dollars ($500)" and inserting in lieu thereof "five thousand dollars ($5,000)."

Page 5, lines 11 through 20 after the word "Locality" by deleting in its entirety through the word "work" on line 20. Insert in lieu thereof "shall be determined by the Commissioner of Labor. He may designate more than one county as a single locality but, if more than one county is designated, such multi-county locality shall not extend beyond the boundaries of the federal congressional district in which that county is located. In no event shall he designate less than an entire county as a locality."

Page 6, lines 18 and 19 after the word facilities insert, "including but not limited to the types of entities funded through revenue bonds;"

Page 6, lines 22 through 25 after the word "work" delete in its entirety.

Page 7, line 26 after the word "the" insert "basic hourly rate of pay paid to the greater number: Provided, such greater number constitutes 30 per cent of those employed; or in the event that less than 30 per cent of those employed receive the same rate, then the basic hourly rate of pay shall be the"

Floor Amendment No. 2 to **HB 724,** by Representative Donnermeyer, is as follows:

Amend printed copy of **HB 724,** page 4, line 22 through 26, by deleting the new material and inserting in lieu thereof the following new material: "*five thousand dollars ($5,000), provided that no other change in KRS 337.505 through 337.550 shall take effect until the commissioner has presented the question of equitable locality boundaries to the Labor-Management Advisory Council to the governor and that council has made recommendations as to necessary locality reallignment to the commissioner and to the governor*"

Representative B. Richardson moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions

HR 109, by Representatives Bendl and Hines: A RESOLUTION requesting a study of the Kentucky Medical Assistance Program.

HR 110, by Representative Mann: A RESOLUTION requesting the Interim Joint Committee on Business Organizations and Professions to conduct a review and evaluation of occupational licensing boards.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Cities: **HB 918, HB 955, HB 904.**

Agriculture and Small Business: **HB 967.**

Business Organizations and Professions: **HB 936, HCR 94, HB 567.**

Transportation: **HB 596, HB 682, HB 847, HB 854.**

Natural Resources and Environment: **HB 718, HB 719, HB 830, HB 835, HB 852, HB 853, HB 919, HB 932, HB 690.**

State Government: **HB 887, HB 380, HB 680, HB 466, HB 686, HB 828.**

Appropriations and Revenue: **HB 7, HB 958, HB 970,** Hb 973, **HB 968, HB 902, HB 931.**

Banking and Industry: **HB 708, HB 713, SB 191.**

The Committee on Energy reported **SB 156** has been withdrawn from consideration.

Announcements

The following meetings were announced:

Judiciary: Special meeting, Thursday, 10-12 a.m., Room A.

Judiciary: Regular meeting, Tuesday, 10-12 a.m., Room 9.

Transportation: Tuesday, 8 a.m., Room 9.

Labor and Industry: Special meeting, Tuesday, 30 minutes after adjournment, Room 246.

Special Subcommittee on Surface Mining: Tuesday, 10 a.m., Room 307.

Appropriations and Revenue: Tuesday, 8 a.m., Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2 p.m., Tuesday, March 11, 1980.

On the roll call the vote was yeas 48-Allen, Arnold, Bendl, Bennett, Boswell, Brinkley, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, DeFalaise, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Hancock, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, Layman, May, Maynard, McBee, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Schmidt, Smith, Stumbo, Thomason, Turner, Van Horn, Wilborn, Williams, Worthington. Nays 3-Davenport, LeMaster, Robinson.

The motion to adjourn was adopted.

TUESDAY, MARCH 11, 1980

FORTY-FIRST LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Jim Corbett, Chaplain, Lake Cumberland Boys' Camp, Monticello, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative DeMarcus.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 10, 1980, by dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **SB 124, SB 181, SB 258.**

Business Organizations and Professions: **HR 110.**

Cities: **HB 956, SB 153, SB 216.**

Counties and Special Districts: **HB 504.**

Health and Welfare: **SB 205, HR 109.**

Judiciary: **SB 204, SB 263.**

State Government: **SB 152, SB 215, SB 233.**

Transportation: **HB 863.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills have been posted for Committee consideration:

Labor and Industry: **HB 827, HB 483.**

Report of Committees

The Committee on Rules reported **HB 53, HB 363, HB 453, HB 455, HB 488, HB 500, HB 502, HB 587, HB 662, HB 663, HCR 37, HR 73, SB 59, SB 118,** and **SB 119** have been posted for passage in Orders of the Day on March 12, 1980.

The Committee on Rules reported the following Bills have been recommitted.

HB 598 to the Committee on Judiciary.

HB 349 to the Committee on Appropriations and Revenue.

HB 585 to the Committee on State Government.

HB 532 to the Committee on State Government.

Senate Message

Announcing passage of **SCR 44, SB 100, SB 148, SB 217, SB 222, SB 229, SB 253, SB 246, SB 275, HB 47,** and **HB 396.**

Report of Committees (continued)

The Committee on Judiciary reported **HB 726** and **SB 42** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 726, AN ACT relating to juvenile proceedings.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 208.194 is amended to read as follows:

(1) If a child is sixteen (16) years of age or older, and is adjudicated delinquent in the commission of a Class A felony, Class B felony, or capital offense or found guilty of a Class A felony, Class B felony, or capital offense, the sentencing court in its discretion may commit the child to the department for purposes of institutionalization for an indeterminate period of time of not less than six (6) months.

(2) If a child is sixteen (16) years of age or older, and is adjudicated delinquent in the commission of a felony offense or found guilty of a felony offense and has previously been adjudicated delinquent of a felony offense or found guilty of a felony offense in two or more separate adjudications, the sentencing court in its discretion may commit the child to the department for purposes of institutionalization for an indeterminate period of time of not less than six (6) months.

(3) The department shall maintain jurisdiction over the child during the period of the commitment.

(4) The department shall notify the committing court prior to the termination of institutionalization as to the future intentions of the department as they relate to continued treatment of the child.

(5) *In lieu of the above listed dispositions the court may commit a child coming within the purview of subsection (1) or (2) of this section to a juvenile detention facility or to the county jail (if the jail meets the requirements of KRS 208.120) for an indeterminate period of time of not less than six (6) months.*

(6) The committing court may, with the consent of the department and upon motion of the child, grant shock probation to any child committed under this section after the child has been committed for a minimum of thirty (30) days.

Section 2. KRS 208.200 is amended to read as follows:

(1) If in its decree the juvenile court finds that the child comes within the purview of subsections (1) or (2) of KRS 208.020, the court may, by order:

(a) Place the child on probation or under supervision in his own home or in a suitable family home or boarding home, upon such conditions as the court shall determine. Probation or supervision shall not be ordered or administered as a punishment, but as a measure for the protection, guidance and well-being of the child and his family. A child so placed on probation or supervision shall be subject to the visitation and supervision of a probation officer or a child welfare worker. Probation and supervision methods shall be directed to the discovery and correction of the basic causes of maladjustment and to the development of the child's personality and character, with the aid of the social resources of the community. A child so placed on probation or supervision shall remain subject to the jurisdiction of the court until he becomes eighteen (18) years of age, unless he is discharged prior thereto by the court.

(b) Commit the child to the custody or guardianship of the department or of a private institution or public agency authorized to care for such children, or place the child under the custody and the supervision of a suitable person. All orders of commitment may include such advisory recommendations as the court may deem proper in the best interests of the child and of the public. Such commitment or placement shall be until the age of eighteen (18) subject to the power of the court to terminate the order and discharge the child prior thereto. The governing authorities of said department, agency or institution may likewise discharge the child unless the court directs otherwise. Prior to said discharge two weeks' notice must be given to the committing court, to the legal representative of the child and to the county attorney of the county in which committing court presides. During the period of commitment or placement, the court may review a dispositional order and may modify or terminate such order as the court deems essential to the best interests of the child. In committing a child to a private institution or agency the court shall select one that is approved by the department for human resources and children committed to such an institution or agency shall be subject to the visitation and supervision of a probation officer or child welfare worker.

(2) In the event a child who has not reached his eighteenth birthday commits a new offense while under the jurisdiction of the court or during the period of commitment the court shall have exclusive, original jurisdiction of the new offense.

(3) After a child has been disposed of as provided in paragraph (a) or (b) of subsection (1) of this section he may not then be transferred to the circuit court as provided for in KRS 208.170.

(4) If a child sixteen (16) years of age or older has been adjudicated delinquent in the commission of an offense classified as a misdemeanor or violation, the court in its discretion may order as follows:

(a) Participation in a community services work program. The work program shall be of a constructive nature designed to promote the rehabilitation of the child. The program shall be appropriate to the age level and physical ability of the child and shall be combined with counseling from a probation officer or other responsible person. The work program shall not be scheduled during such times that would interfere with educational, occupational, or religious obligations of the child. Assignment to a community services work program shall be made to a governmental or nonprofit community organization for a specified period of time, not to exceed one hundred and twenty (120) hours for a child adjudicated delinquent in the commission of a Class A misdemeanor, not to exceed eighty (80) hours for a child adjudicated delinquent in the commission of a Class B misdemeanor, and not to exceed forty (40) hours for a child adjudicated delinquent in the commission of an offense classified as a violation under the penal code. A child may be directed to participate in a community services work program as provided in this subsection for the purposes of restitution authorized by KRS 208.240.

(b) The court may impose a fine for a misdemeanor or violation offense. The imposition of a fine for a misdemeanor or violation offense committed by a child shall be based upon a determination that such disposition is in the best interest of the child and to aid in his rehabilitation. Any such order shall include a finding that the child is financially able to pay such fine.

(c) Fines shall be levied consistent with the schedule set forth below:

For a Class A misdemeanor, not to exceed $150;
For a Class B misdemeanor, not to exceed $75; and
For a violation, not to exceed fifty dollars ($50).

When a child is directed by the court to pay a fine, the court may provide for payment to be made within a specified period of time or in specified installments. If such provision is not made a part of the court's disposition, the fine shall be payable immediately.

(5) When a child has been ordered to comply with the provisions in subsection (4) above and fails to do so, the court upon motion of the prosecuting attorney or upon its own motion may require the child to show cause why he should not be held in detention for noncompliance with the court order. The court may issue an order of custody or a summons for his appearance.

(6) Following issuance of a show cause order pursuant to subsection (5) above, unless the child can show that noncompliance was not the result of an intentional refusal to comply with the court order or not the result of a failure to make a good faith effort to comply with the court order, the court may order the child detained as follows:

(a) For a period not to exceed five (5) days if the order is imposed for the commission of a Class A misdemeanor;

(b) For a period not to exceed three (3) days if the order is imposed for the commission of a Class B misdemeanor;

(c) For a period not to exceed two (2) days if the order is imposed for the commission of a violation.

Any detention imposed for failure to comply with the court order shall not be scheduled for a time that would interfere with the educational obligations of the child, and shall be in an approved detention facility as provided in KRS 208.130.

(7) When in the judgment of the court a disposition stated above in subsection (4) is inadequate to aid in the rehabilitation of a misdemeanor offender, the court in its discretion may order a child sixteen (16) years of age or older who has been adjudicated delinquent in the commission of an offense classified as a misdemeanor to detention in an approved detention facility as provided in KRS 208.130 based upon the schedule set forth below:

Class A misdemeanor, 1 to 30 days;
Class B misdemeanor, 1 to 15 days;

provided, that, the court shall advise the child prior to entering its order under this subsection that the child upon demand may receive a trial by jury in the regular session of district court, which trial and any appeal therefrom shall be conducted in accordance with the Rules of Criminal Procedure.

The detention of a juvenile misdemeanor offender shall not be scheduled to interfere with the educational obligations of the child. Detention may be scheduled during periods such as weekends, after school, or overnight. Any portion of a day spent in detention shall be deemed as one day for the purposes of serving a detention term.

(8) *If a child sixteen (16) years of age or older has been adjudicated delinquent in the commission of an offense classified as a class C or D felony, the court in its discretion may order as follows:*

(a) For a class C felony, detention in a juvenile detention facility or the county jail (if the jail meets the requirements of KRS 208.120) for not less than six (6) months nor more than twelve (12) months;

(b) For a class D felony, detention in a juvenile detention facility or the county jail (if the jail meets the requirements of KRS 208.120) for not less than thirty (30) days nor more than six (6) months;

(c) The order shall state whether or not work, educational or other forms of release from jail during the term of confinement shall be permitted and the terms and conditions thereof if granted.

(9) The committing court may, with the consent of the department and upon motion of the child, grant shock probation to any child committed under subsection (8) of this section after the child has been committed for a minimum of thirty (30) days.

(10) No adjudication by a juvenile court of the status of any child shall be deemed a conviction, nor shall such adjudication operate to impose any of the civil disabilities ordinarily resulting from a criminal conviction, nor shall any child be found guilty or be deemed a criminal by reason of such adjudication.

SB 42, AN ACT relating to child custody.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) The general purposes of this Act are to:

(a) Avoid jurisdictional competition and conflict with courts of other states in matters of child custody which have in the past resulted in the shifting of children from state to state with harmful effects on their well-being;

(b) Promote cooperation with the courts of other states to the end that a custody decree is rendered in that state which can best decide the case in the interest of the child;

(c) Assure that litigation concerning the custody of a child take place ordinarily in the state with which the child and his family have the closest connection and where significant evidence concerning his care, protection, training, and personal relationships is most readily available, and that courts of this state decline the exercise of jurisdiction when the child and his family have a closer connection with another state;

(d) Discourage continuing controversies over child custody in the interest of greater stability of home environment and of secure family relationships for the child;

(e) Deter abductions and other unilateral removals of children undertaken to obtain custody awards;

(f) Avoid re-litigation of custody decisions of other states in this state insofar as feasible;

(g) Facilitate the enforcement of custody decrees of other states;

(h) Promote and expand the exchange of information and other forms of mutual assistance between the courts of this state and those of other states concerned with the same child; and

(i) Make uniform the law of those states which enact it.

(2) This Act shall be construed to promote the general purposes stated in this section.

SECTION 2. A NEW SECTION KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Contestant" means a person, including a parent, who claims a right to custody or visitation rights with respect to a child;

(2) "Custody determination" means a court decision and court orders and instructions providing for the custody of a child, including visitation rights; it does not include a decision relating to child support or any other monetary obligation of any person;

(3) "Custody proceeding" includes proceedings in which a custody determination is one of several issues, such as an action for divorce or separation, and includes child neglect and dependency proceedings;

(4) "Decree" or "custody decree" means a custody determination contained in a judicial decree or order made in a custody proceeding, and includes an initial decree and a modification decree;

(5) "Home state" means the state in which the child immediately preceding the time involved lived with his parents, a parent, or a person acting as parent, for at least six (6) consecutive months, and in the case of a child less than six (6) months old the state in which the child lived from birth with any of the persons mentioned. Periods of temporary absence of any of the named persons are counted as part of the six (6)-month or other period;

(6) "Initial decree" means the first custody decree concerning a particular child;

(7) "Modification decree" means a custody decree which modifies or replaces a prior decree, whether made by the court which rendered the prior decree or by another court;

(8) "Physical custody" means actual possession and control of a child;

(9) "Person acting as parent" means a person, other than a parent, who has physical custody of a child and who has either been awarded custody by a court or claims a right to custody; and

(10) "State" means any state, territory, or possession of the United States, the Commonwealth of Puerto Rico, and the District of Columbia.

SECTION 3. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) A court of this state which is competent to decide child custody matters has jurisdiction to make a child custody determination by initial or modification decree if:

(a) This state is the home state of the child at the time of commencement of the proceeding, or had been the child's home state within six (6) months before commencement of the proceeding and the child is absent from this state because of his removal or retention by a person claiming his custody or for other reasons, and a parent or person acting as parent continues to live in this state; or

(b) It is in the best interest of the child that a court of this state assume jurisdiction because the child and his parents, or the child and at least one contestant, have a significant connection with this state, and there is available in this state substantial evidence concerning the child's present or future care, protection, training, and personal relationships; or

(c) The child is physically present in this state and the child has been abandoned or it is necessary in an emergency to protect the child because he has been subjected to or threatened with mistreatment or abuse or is otherwise neglected or dependent; or

(d) It appears that no other state would have jurisdiction under prerequisites substantially in accordance with paragraphs (a), (b), or (c), or another state has declined to exercise jurisdiction on the ground that this state is the more appropriate forum to determine the custody of the child, and it is in the best interest of the child that this court assume jurisdiction.

(2) Except under paragraphs (c) and (d) of subsection (1) of this section, physical presence in this state of the child, or of the child and one of the contestants, is not alone sufficient to confer jurisdiction on a court of this state to make a child custody determination.

(3) Physical presence of the child, while desirable, is not a prerequisite for jurisdiction to determine his custody.

(4) A child custody proceeding is commenced in the circuit court:

(a) By a parent, by filing a petition:

1. For dissolution or legal separation; or

2. For custody of the child in the county in which he is permanently resident or found; or

(b) By a person other than a parent, by filing a petition for custody of the child in the county in which he is permanently resident or found, but only if he is not in the physical custody of one of his parents.

SECTION 4. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

Before making a decree under this Act, reasonable notice and opportunity to be heard shall be given to the contestants, any parent whose parental rights have not been previously terminated, and any person who has physical custody of the child. If any of these persons is outside this state, notice and opportunity to be heard shall be given pursuant to Section 5 of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) Notice required for the exercise of jurisdiction over a person outside this state shall be given in a manner reasonably calculated to give actual notice, and may be:

(a) By personal delivery outside this state in the manner prescribed for service of process within this state;

(b) In the manner prescribed by the law of the place in which the service is made for service of process in that place in an action in any of its courts of general jurisdiction;

(c) By any form of mail addressed to the person to be served and requesting a receipt; or

(d) As directed by the court.

(2) Notice under this section shall be served, mailed, or delivered at least twenty (20) days before any hearing in this state.

(3) Proof of service outside this state may be made by affidavit of the individual who made the service, or in the manner prescribed by the law of this state, the order pursuant to which the service is made, or the law of the place in which the service is made. If service is made by mail, proof may be a receipt signed by the addressee or other evidence of delivery to the addressee.

(4) Notice is not required if a person submits to the jurisdiction of the court.

SECTION 6. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) A court of this state shall not exercise its jurisdiction under this Act if at the time of filing the petition a proceeding concerning the custody of the child was pending in a court of another state exercising jurisdiction substantially in conformity with this Act, unless the proceeding is stayed by the court of the other state because this state is a more appropriate forum or for other reasons.

(2) Before hearing the petition in a custody proceeding the court shall examine the pleadings and other information supplied by the parties under Section 9 of this Act and shall consult the child custody registry established under Section 16 of this Act concerning the pendency of proceedings with respect to the child in other states. If the court has reason to believe that proceedings may be pending in another state it shall direct an inquiry to the state court administrator or other appropriate official of the other state.

(3) If the court is informed during the course of the proceeding that a proceeding concerning the custody of the child was pending in another state before the court assumed jurisdiction it shall stay the proceeding and communicate with the court in which the other proceeding is pending to the end that the issue may be litigated in the more appropriate forum and that information be exchanged in accordance with Sections 19 through 22 of this Act. If a court of this state has made a custody decree before being informed of a pending proceeding in a court of another state it shall immediately inform that court of the fact. If the court is informed that a proceeding was commenced in another state after it assumed jurisdiction it shall likewise inform the other court to the end that the issues may be litigated in the more appropriate forum.

SECTION 7. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) A court which has jurisdiction under this Act to make an initial or modification decree may decline to exercise its jurisdiction any time before making a decree if it finds that it is an inconvenient forum to make a custody determination under the circumstances of the case and that a court of another state is a more appropriate forum.

(2) A finding of inconvenient forum may be made upon the court's own motion or upon motion of a party or a guardian ad litem or other representative of the child.

(3) In determining if it is an inconvenient forum, the court shall consider if it is in the interest of the child that another state assume jurisdiction. For this purpose it may take into account the following factors, among others:

(a) If another state is or recently was the child's home state;

(b) If another state has a closer connection with the child and his family or with the child and one or more of the contestants;

(c) If substantial evidence concerning the child's present or future care, protection, training, and personal relationships is more readily available in another state;

(d) If the parties have agreed on another forum which is no less appropriate; and

(e) If the exercise of jurisdiction by a court of this state would contravene any of the purposes stated in Section 1.

(4) Before determining whether to decline or retain jurisdiction the court may communicate with a court of another state and exchange information pertinent to the assumption of jurisdiction by either court with a view to assuring that jurisdiction will be exercised by the more appropriate court and that a forum will be available to the parties.

(5) If the court finds that it is an inconvenient forum and that a court of another state is a more appropriate forum, it may dismiss the proceedings, or it may stay the proceedings upon condition that a custody proceeding be promptly commenced in another named state or upon any other conditions which may be just and proper, including the condition that a moving party stipulate his consent and submission to the jurisdiction of the other forum.

(6) The court may decline to exercise its jurisdiction under this Act if a custody determination is incidental to an action for divorce or another proceeding while retaining jurisdiction over the divorce or other proceeding.

(7) If it appears to the court that it is clearly an inappropriate forum it may require the party who commenced the proceedings to pay, in addition to the costs of the proceedings in this state, necessary travel and other expenses, including attorneys' fees, incurred by other parties or their witnesses. Payment is to be made to the clerk of the court for remittance to the proper party.

(8) Upon dismissal or stay of proceedings under this section the court shall inform the court found to be the more appropriate forum of this fact or, if the court which would have jurisdiction in the other state is not certainly known, shall transmit the information to the court administrator or other appropriate official for forwarding to the appropriate court.

(9) Any communication received from another state informing this state of a finding of inconvenient forum because a court of this state is the more appropriate forum shall be filed in the custody registry of the appropriate court. Upon assuming jurisdiction the court of this state shall inform the original court of this fact.

SECTION 8. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) If the petitioner for an initial decree has wrongfully taken the child from another state or has engaged in similar reprehensible conduct the court may decline to exercise jurisdiction if this is just and proper under the circumstances.

(2) Unless required in the interest of the child, the court shall not exercise its jurisdiction to modify a custody decree of another state if the petitioner, without consent of the person entitled to custody, has improperly removed the child from the physical custody of the person entitled to custody or has improperly retained the child after a visit or other temporary relinquishment of physical custody. If the petitioner has violated any other provision of a custody decree of another state the court may decline to exercise its jurisdiction if this is just and proper under the circumstances.

(3) In appropriate cases a court dismissing a petition under this section may charge the petitioner with necessary travel and other expenses, including attorneys' fees, incurred by other parties or their witnesses.

SECTION 9. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) Every party in a custody proceeding in his first pleading or in an affidavit attached to that pleading shall give information under oath as to the child's present address, the places where the child has lived within the last five (5) years, and the names and present addresses of the persons with whom the child has lived during that period. In this pleading or affidavit every party shall further declare under oath whether:

(a) He has participated (as a party, witness, or in any other capacity) in any other ligigation concerning the custody of the same child in this or an other state;

(b) He has information of any custody proceeding concerning the child pending in a court of this or any other state; and

(c) He knows of any person not a party to the proceedings who has physical custody of the child or claims to have custody or visitation rights with respect to the child.

(2) If the declaration as to any of the above items is in the affirmative the declarant shall give additional information under oath as required by the court. The court may examine the parties under oath as to details of the information furnished and as to other matters pertinent to the court's jurisdiction and the disposition of the case.

(3) Each party has a continuing duty to inform the court of any custody proceeding concerning the child in this or any other state of which he obtained information during this proceeding.

SECTION 10. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

If the court learns from information furnished by the parties pursuant to Section 9 of this Act or from other sources that a person not a party to the custody proceeding has physical custody of the child or claims to have custody or visitation rights with respect to the child, it shall order that person to be joined as a party and to be duly notified of the pendency of the proceeding and of his joinder as a party. If the person joined as a party is outside this state he shall be served with process or otherwise notified in accordance with Section 5 of this Act.

SECTION 11. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) The court may order any party to the proceeding who is in this state to appear personally before the court. If that party has physical custody of the child the court may order that he appear personally with the child.

(2) If a party to the proceeding whose presence is desired by the court is outside this state with or without the child the court may order that the notice given under Section 5 of this Act include a statement directing that party to appear personally with or without the child and declaring that failure to appear may result in a decision adverse to that party.

(3) If a party to the proceeding who is outside this state is directed to appear under subsection (2) of this section or desires to appear personally before the court with or without the child, the court may require another party to pay to the clerk of the court travel and other necessary expenses of the party so appearing and of the child if this is just and proper under the circumstances.

SECTION 12. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

A custody decree rendered by a court of this state which had jurisdiction under Section 3 of this Act binds all parties who have been served in this state or notified in accordance with Section 5 of this Act or who have submitted to the jurisdiction of the court, and who have been given an opportunity to be heard. As to these parties the custody decree is conclusive as to all issues of law and fact decided and as to the custody determination made unless and until that determination is modified pursuant to law, including the provisions of this Act.

SECTION 13. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

The courts of this state shall recognize and enforce an initial or modification decree of a court of another state which had assumed jurisdiction under statutory provisions substantially in accordance with this Act or which was made under factual circumstances meeting the jurisdictional standards of the Act, so long as this decree has not been modified in accordance with jurisdictional standards substantially similar to those of this Act.

SECTION 14. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) If a court of another state has made a custody decree, a court of this state shall not modify that decree unless it appears to the court of this state that the court which rendered the decree does not now have jurisdiction under jurisdictional prerequisites substantially in accordance with this Act or has declined to assume jurisdiction to modify the decree and the court of this state has jurisdiction.

(2) If a court of this state is authorized under subsection (1) of this section and Section 8 of this Act to modify a custody decree of another state it shall give due consideration to the transcript of the record and other documents of all previous proceedings submitted to it in accordance with Section 22 of this Act.

SECTION 15. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) A certified copy of a custody decree of another state may be filed in the office of the clerk of any circuit court of this state. The clerk shall treat the decree in the same manner as the custody decree of the circuit court of this state. A custody decree so filed has the same effect and shall be enforced in like manner as a custody decree rendered by a court of this state.

(2) A person violating a custody decree of another state which makes it necessary to enforce the decree in this state may be required to pay necessary travel and other expenses including attorneys' fees, incurred by the party entitled to the custody or his witnesses.

SECTION 16. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

The clerk of each circuit court shall maintain a registry in which he shall enter the following:

(1) Certified copies of custody decrees of other states received for filing;

(2) Communications as to the pendency of custody proceedings in other states;

(3) Communications concerning a finding of inconvenient forum by a court of another state; and

(4) Other communications or documents concerning custody proceedings in another state which may affect the jurisdiction of a court of this state or the disposition to be made by it in a custody proceeding.

SECTION 17. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

The clerk of the circuit court of this state, at the request of the court of another state or at the request of any person who is affected by or has a legitimate interest in a custody decree, shall certify and forward a copy of the decree to that court or person.

SECTION 18. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

In addition to other procedural devices available to a party, any party to the proceeding or a guardian ad litem or other representative of the child may adduce testimony of witnesses, including parties and the child, by deposition or otherwise, in another state. The court on its own motion may direct that the testimony of a person be taken in another state and may prescribe the manner in which and the terms upon which the testimony shall be taken.

SECTION 19. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

(1) A court of this state may request the appropriate court of another state to hold a hearing to adduce evidence, to order a party to produce or give evidence under other procedures of that state, or to have social studies made with respect to the custody of a child involved in proceedings pending in the court of this state; and to forward to the court of this state certified copies of the transcript of the record of the hearing, the evidence otherwise adduced, or any social studies prepared in compliance with the request. The cost of the services may be assessed against the parties or, if necessary, ordered paid by the state.

(2) A court of this state may request the appropriate court of another state to order a party to custody proceedings pending in the court of this state to appear in the proceedings, and if that party has physical custody of the child, to appear with the child. The request may state that travel and other necessary expenses of the party and of the child whose appearance is desired will be assessed against another party or will otherwise be paid.

SECTION 20. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

Upon request of the court of another state the courts of this state which are competent to hear custody matters may order a person in this state to appear at a hearing to adduce evidence or to produce or give evidence under other procedures available in this state or may order social studies to be made for use in a custody proceeding in another state. A certified copy of the transcript of the record of the hearing or the evidence otherwise adduced and any social studies prepared shall be forwarded by the clerk of the court to the requesting court.

(2) A person within this state may voluntarily give his testimony or statement in this state for use in a custody proceeding outside this state.

(3) Upon request of the court of another state a competent court of this state may order a person in this state to appear alone or with the child in a custody proceeding in another state. The court may condition compliance with the request upon assurance by the other state that state travel and other necessary expenses will be advanced or reimbursed.

SECTION 21. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

In any custody proceeding in this state the court shall preserve the pleadings, orders and decrees, any record that has been made of its hearings, social studies, and other pertinent documents until the child reaches 18 years of age. Upon appropriate request of the court of another state the court shall forward to the other court certified copies of any or all of such documents.

SECTION 22. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

If a custody decree has been rendered in another state concerning a child involved in a custody proceeding pending in a court of this state, the court of this state upon taking jurisdiction of the case shall request of the court of the other state a certified copy of the transcript of any court record and other documents mentioned in Section 21 of this Act.

SECTION 23. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

The general policies of this Act extend to the international area. The provisions of this Act relating to the recognition and enforcement of custody decrees of other states apply to custody decrees and decrees involving legal institutions similar in nature to custody institutions rendered by appropriate authorities of other nations if reasonable notice and opportunity to be heard were given to all affected persons.

SECTION 24. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

This Act may be cited as the "Uniform Child Custody Jurisdiction Act."

SECTION 25. KRS 403.260 is repealed, Custody - Jurisdiction, commencement of proceedings.

The Committee on Transportation reported **HB 530, HB 583, HB 681** with Committee Amendment attached thereto, **SB 6** and **SB 135** with Committee Amendment attached thereto, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 530, AN ACT relating to farm truck registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine passengers, including the operator, shall be eleven dollars and fifty cents ($11.50).

(2) The annual registration fee for each motorcycle shall be five dollars ($5.00), and for each sidecar attachment, three dollars ($3.00).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of six thousand (6,000) pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (13) hereof, shall be eleven dollars and fifty cents ($11.50).

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (13) hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	$ 24.00

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
10,001-14,000	30.00
14,001-18,000	50.00
18,001-22,000	132.00
22,001-26,000	160.00
26,001-32,000	216.00
32,001-38,000	300.00
38,001-44,000	474.00
44,001-55,000	544.00
55,001-62,000	588.00
62,001-73,280	750.00
73,281-82,000	840.00

(4) (a) Any farmer owning a truck having a gross weight of thirty thousand (30,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of thirty thousand (30,000) pounds or less, and that during the next twelve (12) months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty thousand (30,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof *and shall be entitled to receive the same license plate as provided by paragraph (a) of this subsection.* The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within five (5) miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area

above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.

(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple, where such railhead or tipple is located at a point not more than fifty (50) air miles from the point at which such coal is mined, or which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.

(10) Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths (¾) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the department that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the bureau's certification to the department of transportation copy of the certificate of registration and ownership.

(11) Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar ($1.00). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(12) The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars ($20.00) and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(13) The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(14) (a) The bureau of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the department shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar ($1.00). Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration as provided in KRS 186.050(14)(a) may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle. The bureau shall promulgate regulations in accordance with this section.

HB 583, AN ACT relating to motor carriers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 281.605 is amended to read as follows:

The provisions of this chapter shall not apply, except as to safety regulations, to:

(1) Motor vehicles used as school buses and while engaged in the transportation of students, under the supervision and control and at the direction of school authorities;

(2) Motor vehicles, regardless of ownership, used exclusively:

(a) For the transportation of agricultural and dairy products, including fruit, livestock, meats, fertilizer, wood, lumber, cotton, products of grove or orchard, poultry and eggs, while owned by the producer of the products, including landlord where the relation of landlord and tenant or landlord and cropper is involved, from the farm to a market, warehouse, dairy or mill, or from one market, warehouse, dairy or mill to another market, warehouse, dairy or mill;

(b) For the transportation of agricultural and dairy products, livestock, farm machinery, feed, fertilizer, and other materials and supplies essenial to farm operation, from market or shipping terminal to farm;

(c) For both the purposes described in paragraphs (a) and (b) of this subsection; or

(d) For the transportation of agricultural and dairy products from farm to regularly organized fairs and exhibits and return;

(3) Motor vehicles used exclusively as church buses and while operated in the transportation of persons to and from a church or place of worship or for other religious work under the supervision and control and at the direction of church authorities;

(4) Motor vehicles to the extent such are used or operated in transportation programs pursuant to grants of funds in furtherance of and governed by the provisions of Title III and Title VII of the federal Older Americans Act of 1965, Public Law 89-73, including all amendments thereto, and to the extent such are used or operated to transport persons whose fares are reimbursed or paid through programs in furtherance of and governed by the provisions of Title XIX and Title XX of the federal Social Security Act, including all amendments thereto;

(5) Motor vehicles used exclusively for the transportation of property belonging to a nonprofit cooperative association or its members where the vehicle is owned or leased exclusively by the association;

(6) Motor vehicles owned in whole or in part by any person and used by such person to transport *commodities* [petroleum products and those incidental supplies used or sold in connection with the wholesale or retail sale of such petroleum products] of which [petroleum products or incidental supplies] such person is the *bona fide* owner, lessee, consignee, or bailee; provided, however, that such transportation is for the purpose of sale, lease, rent, or bailment, and is an incidental adjunct to an established private business owned and operated by such person *within the scope and* in [the] furtherance of any *primary* commercial enterprise *of such person* other than the business of transportation of property for hire;

(7) Motor vehicles used in pick-up or delivery service within a city or within a city and its commercial area for a carrier by rail;

(8) Motor vehicles used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple where the railhead or tipple is located at a point not more than fifty (50) air miles from the point at which the coal is mined;

(9) Motor vehicles used as ambulances in transporting wounded, injured, or sick persons or animals;

(10) Motor vehicles used by transit authorities as created and defined in KRS chapter 96A except as required by KRS 96A.170.

(11) Motor vehicles having a seating capacity of fifteen (15) or fewer passengers and while transporting persons between their places of residence, on the one hand, and, on the other, their places of employment, provided the driver himself is on his way to or from his place of employment, and further provided that any person who operates or controls the operation of vehicles hereunder of which said person is the owner or lessee, and any spouse of said person and any partnership or corporation with said person or his spouse having an interest therein doing such, shall be eligible to so operate an aggregate number of not more than one (1) vehicle on other than a nonprofit basis.

HB 681, AN ACT relating to roads.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 39 IS CREATED TO READ AS FOLLOWS:

Upon the governor's declaration of an emergency pursuant to the provisions of this chapter, caused wholly or partially by snow, ice or rain which seriously hinders or endangers vehicular traffic upon public *roads and highways of the Commonwealth, the secretary of transportation may order the activation of the "Interlocal Road Clearance Agreement." It shall be the duty of the department of transportation and each county, urban-county government and city to render assistance in accordance with the provisions of the agreement.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 39 IS CREATED TO READ AS FOLLOWS:

(1) The secretary of transportation shall develop a plan for state, county, urban-county government and city cooperation for the purposes of the clearance of snow and ice from public roads and highways in extraordinary situations to be known as the "Interlocal Road Clearance Agreement."

(2) The agreement shall create mutual aid arrangements between the department of transportation, and the various counties, urban-county governments and cities of this Commonwealth for reciprocal road clearance aid and assistance in cases where the individual governmental unit is unable to deal with the emergency unassisted. The plan shall provide:

(a) Procedures for the temporary transfer of equipment and personnel between governmental units;

(b) Procedures for the loaning or purchasing of sand, salt and other materials between governmental units;

(c) Systems for delineating areas of responsibility between governmental units;

(d) A system for providing economic assistance and expense sharing between economic units; and

(e) Any other provisions deemed necessary by the secretary to effectuate road clearance within the Commonwealth under emergency situations.

(3) The secretary shall complete the "Interlocal Road Clearance Agreement" within one (1) year of the effective date of this Act. The secretary shall amend the agreement as he sees fit, but shall give local governmental units two (2) months' notice of any amendments to the agreement.

(4) Every county, urban-county government, and city within the Commonwealth is a party to the agreement and is deemed to have consented to the provisions thereof.

The Committee Amendment No. 2 to **HB 681** is as follows:

Amend printed copy of **HB 681,** page 2, line 15, by deleting the word "shall" and inserting in lieu thereof the word "*may*"; and

On page 2, line 19, by deleting the word "shall" and inserting in lieu thereof the word "*may*".

SB 6, AN ACT relating to the transportation of soil conservation equipment.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine passengers, including the operator, shall be $11.50.

(2) The annual registration fee for each motorcycle shall be $5.00, and for each sidecar attachment, $3.00.

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of 6,000 pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to *(14)* [(13)] hereof, shall be $11.50.

(b) All motor vehicles except those mentioned in subsections (1) and (2)of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to *(14)* [(13)] hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	$ 24.00
10,001-14,000	30.00
14,001-18,000	50.00
18,001-22,000	132.00

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
22,001-26,000	160.00
26,001-32,000	216.00
32,001-38,000	300.00
38,001-44,000	474.00
44,001-55,000	544.00
55,001-62,000	588.00
62,001-73,280	750.00
73,281-82,000	840.00

(4) (a) Any farmer owning a truck having a gross weight of 30,000 pounds or less may have it registered as a farmer's truck and obtain a license for $11.50. The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of 30,000 pounds or less, and that during the next twelve months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of 30,000 pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for $11.50 by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for $11.50 by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for $11.50 by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

(8) Motor vehicles having a declared gross weight in excess of 18,000 pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within five (5) miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.

(9) Motor vehicles having a declared gross weight in excess of 18,000 pounds, which are used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple, where such railhead or tipple is located at a point not more than fifty (50) air miles from the point at which such coal is mined, or which are used exclusively for the transportation of primary forest products from the harvest

area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.

(10) Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths (¾) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the department that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the bureau's certification to the department of transportation copy of the certificate of registration and ownership.

(11) Any owner of a commercial vehicle registered for a declared gross weight in excess of 18,000 pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for $1.00. Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(12) The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be $20.00 and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(13) The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(14) (a) The bureau of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the department shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of $1.00. Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction which vehicle is subject to apportioned registration as provided in KRS 186.050(14)(a) may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle. The bureau shall promulgate regulations in accordance with this section.

SECTION 2. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) A special twelve (12) month permit shall be issued only to the operators or movers of equipment used primarily for soil conservation purposes, public utility service companies, other specialized equipment such as oil well or mine servicing equipment and truck cranes and loaders, the use of which is confined to a limited area as covered by subsection (4) of this section.

(2) A twelve (12) month permit shall be issued only for the movement of a specific vehicle or a combination of vehicles hauling or towing a specific overweight or overdimensional load or machine, or for the movement of a specific overdimensional or overweight machine or piece of equipment.

(3) A permit shall only be issued for vehicles which are properly licensed in Kentucky if the vehicles are required to be licensed as motor vehicles in Kentucky.

(4) The permit will only be issued for movements within the county in which the vehicle is based or the applicant maintains headquarters and movement into an adjoining county and returns to headquarters and only on the state highways or parts of the state highways specifically listed on the permit.

(5) An extended permit will not be issued for vehicles or machines which exceed the following dimensions:

13′ 6″	OVERALL HEIGHT
12′ 0″	OVERALL WIDTH
90′ 0″	OVERALL LENGTH

Any blade or bucket attached to the equipment which exceeds twelve feet (12') in width must be removed for highway movement. A blade which has been removed may be moved on the truck with the equipment without being considered a divisible load.

(6) An extended permit shall not be issued for vehicles or machines which exceed the following weights:

Self-propelled equipment - 24,000 pounds per axle or
600 pounds per tire rim inch, whichever is less.

All weights are subject to limitations of bridge designs and rated load capacity

(7) One (1) lead escort vehicle shall accompany equipment on two lane highways if the blade or bucket extends over the bed of the transporting vehicle or if the width of the equipment exceeds 10' 6".

SB 135, AN ACT relating to motor vehicle operator's licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.440 is amended to read as follows:

An operator's license shall not be granted to:

(1) Any person under the age of sixteen (16).

(2) Any person whose operator's license has been suspended, during the period of suspension.

(3) Any person whose operator's license has been revoked, nor to any nonresident whose privilege of exemption under KRS 186.430 has been refused or discontinued, until the expiration of the period for which the license was revoked, or for which the privilege was refused or discontinued.

(4) An habitual drunkard or drug addict.

(5) Any applicant who has previously been adjudged insane or mentally retarded, and who has not at the time of application been restored to competency by judicial decree or release from a hospital for the insane or mentally retarded with a certificate of the superintendent that the applicant is competent. The state police shall determine by examination that the person is competent to operate a motor vehicle with safety to persons and property.

(6) Any person who in the opinion of the state police, after examination, is afflicted with such physical or mental disability as prevents him from exercising reasonable and ordinary control over a motor vehicle upon the highways.

(7) *Any person requiring corrective lenses who uses a compound lens system for both eyes which increases the power of the lenses while restricting the field of vision.*

(8) Any person who is unable to understand highway warnings or direction signs in the English language.

(9)[(8)] Any person required by KRS 186.480 to take an examination who has not successfully passed the examination.

(10)[(9)] Any person required by KRS chapter 187 to deposit proof of financial responsibility, who has not deposited that proof.

(11)[(10)] Any person who has not filed a correct and complete application signed in the presence of a person authorized to administer oaths.

(12)[(11)] Any person whose operator's license has been suspended or revoked under the provisions of KRS chapter 186 or 187 until the person has forwarded to the department a reinstatement fee of five dollars ($5.00). The fee shall be paid by certified check or money order payable to the state treasurer to be credited to a trust and agency fund to be used in defraying the costs and expenses of administering a driver improvement program for problem drivers.

The Committee Amendment No. 1 to **SB 135** is as follows:

Amend printed copy of **SB 135**, line 8, by deleting after the word "*system*" the words "*for both eyes*".

Report on Enrolled Bills

The Committee on Enrollment reported **HB 280, HB 346,** and **HB 397** had been examined and found correctly enrolled. Said bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 280, HB 346, and **HB 397** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day

HB 182, with Floor Amendments attached thereto, taken from Orders of the Day. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lundergan moved the adoption of the Floor Amendment No. 4 to **HB 182.** Agreed.

Representative Lundergan moved that **HB 182,** as amended, be passed.

On the roll call the vote was yeas 44-Barrows, Bennett, Blandford, Blythe, Brinkley, Bronger, Brown, Burch, Caldwell, Clarke, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Freibert, Hancock, Hines, Holbrook, Isler, Kidd, LeMaster, Lewis, List, Lundergan, Mann, McBee, Moberly, Nett, Petty, Plummer, Priddy, Rapier, Romines, Schmidt, Smith, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Williams, Yates. Nays 28-Adams, Allen, Arnold, Boswell, Bruce, Burnette, Cawood, Clark, Deskins, Ellington, Foster, Fryman, Haering, Head, Johnson, Kenton, Layman, May, McNutt, Morris, Overstreet, Patrick, Richards, Riner, Stone, Stumbo, Turner, Wright.

HB 182 was passed and the title agreed to.

Representative Lundergan moved that the vote by which **HB 182** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 326, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved the adoption of the Floor Amendment No. 1 to **HB 326.** Agreed.

Representative Burnette moved that **HB 326,** as amended, be passed.

On the roll call the vote was yeas 84-Adams, Allen, Arnold, Barrows, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, Overstreet, Patrick, Pearman, Petty, Plummer, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, While, Wilborn, Worthington, Wright, Yates. Nays 10-Bendl, Bennett, DeFalaise, Freibert, Holbrook, Holloway, Nett, O'Brien, Schmidt, Williams.

HB 326, as amended, was passed and the title agreed to.

Representative Burnette moved that the vote by which **HB 326** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 449, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Committee Amendment No. 1 to **HB 449.** Agreed.

Representative B. Richardson moved the adoption of the Floor Amendment No. 1 to **HB 449.** Agreed.

Representative B. Richardson moved that **HB 449,** as amended, be passed.

On the roll call the vote was yeas 83-Adams, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Hearing, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Layman, LeMaster, Lewis, List, Little, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 6-Allen, Burch, Fryman, Maynard, Plummer, Worthington.

HB 449, as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 449,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 593 taken from the Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bronger moved that **HB 593** be passed.

On the roll call the vote was yeas 82-Adams, Allen, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, Maynard, McBee, McKinney, Moberly, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, P., Riner, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Wilborn, Wiliams, Worthington, Wright, Yates. Nays 3-Little, Turner, Weinberg.

HB 593, as amended, was passed and the title agreed to.

Representative Bronger moved that the vote by which **HB 593,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 152, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 152** be laid on the Clerk's desk.

On the roll call the vote was yeas 67-Adams, Allen, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, Layman, LeMaster, Lewis, List, Mann, May, Maynard, McKinney, McNutt, Noe, O'Brien, Overstreet, Pearman, Petty, Rapier, Richards, Richardson, B., Richardson.; P., Riner, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Yates. Nays 9-Blythe, Burnette, Cawood, Guenthner, Haering, Patrick, Plummer, Robinson, Wright.

The motion that **HB 152** be laid on the Clerk's desk was adopted.

Representative B. Richardson moved that **HB 152** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 75-Adams, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Noe, O'Brien, Pearman, Petty, Plummer, Rapier, Richardson, Richardson, B., Richardson, P., Riner, Robinson, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 11-Allen, Blair, Burnette, Caldwell, Fryman, Guenthner, Haering, Hancock, Overstreet, Patrick, Wright.

The motion that **HB 152** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

HB 236 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dawahare moved that **HB 236** be passed.

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Thomason, Tobin, Turner, Van Horn, Weinberg, Whilte, Wilborn, Williams, Wright, Yates. Nays 0.

HB 236 was passed and the title agreed to.

Representative Dawahare moved that the vote by which **HB 236** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 273, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McKinney moved the adoption of the Committee Substitute to **HB 273.** Agreed.

Representative McKinney moved that **HB 273,** by way of Committee Substitute, be passed.

Representative Deskins moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 273.**

On the roll call the vote was, yeas 17-Burnette, Caldwell, Deskins, Farrow, Foster, Fryman, Gray, Guenthner, Hancock, Head, Mann, Nett, Overstreet, Rapier, Stumbo, Thomas, Yates. Nays 57-Adams, Allen, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Brown, Burch, Cawood, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Dunn, Ellington, Freibert, Haering, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, May, McKinney, Moberly, Noe, Patrick, Pearman, Plummer, Priddy, Riner, Robinson, Romines, Schmidt, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright.

Floor Amendment No. 1 to the Committee Substitute to **HB 273** was rejected.

On the roll call the vote was yeas 57-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blythe, Brinkley, Brown, Bruce, Cawood, Craddock, Crupper, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Dunn, Farrow, Gray, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, LeMaster, Lewis, List, Little, May, McKinney, McNutt, Moberly, Morris, Pearman, Plummer, Priddy, Rattliff, Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 26-Blandford, Boswell, Burch, Burnette, Caldwell, J. Clarke, Curd, Ellington, Foster, Freibert, Fryman, Haering, Hancock, Head, Heleringer, Mann, Maynard, McBee, Noe, O'Brien, Patrick, Rapier, P. Richardson, Smith, Thomas, Wright.

HB 273, by way of Committee Substitute, was passed and the title agreed to.

Representative McKinney moved that the vote by which **HB 273**, by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 456 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 456** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 456 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 456** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 459, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved the adoption of the Committee Amendment No. 1 to **HB 459.** Agreed.

Representative Stone moved that **HB 459,** as amended, be passed.

Representative Stumbo moved that **HB 459** be laid on the Clerk's desk.

On the roll call the vote was yeas 9-Blythe, Caldwell, Heleringer, Johnson, B. Richardson, Schmidt, Stumbo, Thomason, Turner. Nays 68-Adams, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Isler, Jones, Kenton, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee,Moberly, Noe, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Romines, Smith, Stone, Thomas, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates.

The motion that **HB 459** be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 64-Arnold, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burnette, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Foster, Gray, Guenthner, Hancock, Head, Hines, Holbrook, Isler, Jones, Kenton, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richardson, Richardson, P., Romines, Sale, Smith, Stone, Stumbo, Thomason, Tobin, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 29-Adams, Allen, Blair, Blythe, Bruce, Caldwell, J. Clarke, Ellington, Farrow, Freibert, Fryman, Haering, Heleringer, Holloway, Johnson, Kidd, Layman, McKinney, McNutt, Nett, Patrick, Plummer, B. Richardson, Riner, Robinson, Thomas, Turner, White, Wright.

HB 459, as amended, was passed and the title agreed to.

Representative Stone moved that the vote by which **HB 459,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 481 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cawood moved that **HB 481** be passed.

On the roll call the vote was yeas 84-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 1-Worthington.

HB 481 was passed and the title agreed to.

Representative Cawood moved that the vote by which **HB 481** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 482 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved that **HB 482** be passed.

On the roll call the vote was yeas 75-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Craddock, Crupper, Curd, Cyrus, Davenport Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Isler, Johnson, Kenton, Kidd, LeMaster, Lewis, List, Little, Mann, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Petty, Priddy, Rapier, Rattliff, Richards, Richardson, P., Riner, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 10-Allen, Ellington, Fryman, Holbrook, Holloway, Layman, Plummer, B. Richardson, Robinson, Turner.

HB 482 was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 482** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 518 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved that **HB 518** be passed.

On the roll call the vote was yeas 73-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones Kenton, LeMaster, Lewis, List, Little, Mann, May, McBee, McKinney, Morris, Nett, Noe, O'Brien, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomason, Turner, Van Horn, White, Wilborn, Williams, Worthington, Yates. Nays 4-Freibert, Haering, Hancock, Tobin.

HB 518 was passed and the title agreed to.

Representative O'Brien moved that the vote by which **HB 518** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 552, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of the Committee Substitute to **HB 552.** Agreed.

Representative Richards moved that **HB 552,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 92-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 552, by way of Committee Substitute, was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 552,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 566, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved the adoption of the Committee Substitute to **HB 566.** Agreed.

Representative Deskins moved that **HB 566,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 4-Dawahare, Pearman, Rattliff, Robinson.

HB 566, by way of Committee Substitute, was passed and the title agreed to.

Representative Cawood moved that the vote by which **HB 566,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 609, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Committee Amendment No. 1 to **HB 609.** Agreed.

Representative B. Richardson moved that **HB 609,** as amended, be passed.

On the roll call the vote was yeas 87-Adams, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Lundergan, Mann, May, Maynard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 5-Allen, Bennett, McKinney, Pearman, Rattliff.

HB 609, as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 609,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 613 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adams moved that **HB 613** be passed.

On the roll call the vote was yeas 76-Adams, Arnold, Bendl, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, May, McBee, McKinney, Moberly, Morris, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Weinberg, Wilborn, Worthington, Wright. Nays 7-Allen, Barrows, Blythe, Heleringer, Nett, Noe, Van Horn.

HB 613 was passed and the title agreed to.

Representative Adams moved that the vote by which **HB 613** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 617, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Amendment to **HB 617.** Agreed.

Representative LeMaster moved that **HB 617,** as amended, be passed.

On the roll call the vote was yeas 67-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Caldwell, Cawood, Clark, Clarke, Craddock, Davenport, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Gray, Guenthner, Hancock, Hines, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McKinney, Moberly, Morris, Nett, O'Brien, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Yates. Nays 24-Allen, Blythe, Brown, Burch, Burnette, Clapp, Crupper, Curd, Cyrus, Dawahare, Foster, Fryman, Haering, Head, Holloway, McBee, Noe, Patrick, Pearman, Plummer, Rattliff, Turner, Worthington, Wright.

HB 617, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 617,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Pro Tempore Hancock presiding.

HB 642 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed.

Representative Kidd moved that **HB 642** be passed.

On the roll call the vote was yeas 67-Adams, Allen, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Cawood, Clark, Craddock, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McBee, McKinney, Morris, Nett, Noe, Pearman, Petty, Plummer, Priddy, Rapier, Richardson, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Smith, Stone, Thomas, Thomason, Tobin, Turner, Weinberg, Williams, Worthington, Yates. Nays 22-Barrows, Burnette, Caldwell, Crupper, Curd, Cyrus, Ellington, Fryman, Guenthner, Haering, Head, Heleringer, Layman, Little, Moberly, O'Brien, Patrick, Stumbo, Van Horn, White, Wilborn, Wright.

HB 642 was passed and the title agreed to.

Representative Kidd moved that the vote by which **HB 642** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 656 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 656** be passed.

On the roll call the vote was yeas 90-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

HB 656 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 656** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 724, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved that **HB 724** be passed.

Representative Donnermeyer moved the adoption of the Floor Amendment No. 1 to **HB 724.**

On the roll call the vote was yeas 44-Barrows, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Cawood, Clark, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Gray, Haering, Head, Heleringer, Isler, Johnson, Kenton, Little, Lundergan, Mann, McBee, Nett, Noe, Petty, Priddy, Riner, Romines, Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, Weinberg, Williams, Wright, Yates. Nays 41-Adams, Allen, Arnold, Blair, Blythe, Clarke, Craddock, Crupper, Curd, Davenport, DeFalaise, Farrow, Foster, Freibert, Fryman, Hancock, Holloway, Jones, Layman, Lewis, List, May, McKinney, McNutt, Morris, O'Brien, Patrick, Pearman, Plummer, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Sale, Schmidt, Thomason, Turner, Wilborn, Worthington.

Floor Amendment No. 1 to **HB 724** was adopted.

Speaker Kenton resumed the chair.

On the roll call the vote was yeas 78-Adams, Allen, Arnold, Barrow, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Head, Heleringer, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 12-Brown, Burnette, Dawahare, Ellington, Fryman, Haering, Hancock, Hines, Holbrook, Holloway, Little, Tobin.

HB 724, as amended, was passed and the title agreed to.

Representative Jones moved that the vote by which **HB 724,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HJR 24, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Smith moved the adoption of the Committee Substitute to **HJR 24.** Agreed.

Representative Smith moved that **HJR 24,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 65-Adams, Arnold, Barrows, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burnette, Cawood, Clarke, Cyrus, Dawahare, DeFalaise, Deskins, Dunn, Farrow, Foster, Gray, Guenthner, Heleringer, Hines, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, Richardson, B., Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates. Nays 15-Allen, Blair, Crupper, Curd, Davenport, Ellington, Freibert, Fryman, Haering, Hancock, Layman, Rattliff, P. Richardson, Tobin, Wright.

HJR 24, by way of Committee Substitute, was passed and the title agreed to.

Representative Smith moved that the vote by which **HJR 24,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 75, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Committee Substitute to **SB 75.** Agreed.

Representative B. Richardson moved that **SB 75,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 80-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, Maynard, McBee, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Romines, Sale, Schmidt, Stone, Stumbo, Thomason, Turner, Wilborn, Williams, Wright, Yates. Nays 7-Haering, Little, Noe, Robinson, Thomas, Van Horn, Weinberg.

SB 75, by way of Committee Substitute, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **SB 75,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 90 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Haering moved that **SB 90** be passed.

On the roll call the vote was yeas 87-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, Maynard, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Petty, Plummer, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

SB 90 was passed and the title agreed to.

Representative Haering moved that the vote by which **SB 90** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 143, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **SB 143** be passed.

Representative Holbrook moved the adoption of the Committee Amendment No. 1 to **SB 143.** Agreed.

Representative Johnson moved that **SB 143,** as amended, be passed.

On the roll call the vote was yeas 75-Adams, Allen, Arnold, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Head, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, McBee, McNutt, Moberly, Morris, Nett, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Sale, Schmidt, Stone, Stumbo, Thomason, Turner, Wilborn, Williams, Worthington, Wright, Yates. Nays 7-Haering, Little, Noe, Robinson, Thomas, Van Horn, Weinberg.

SB 143, as amended, was passed and the title agreed to.

Representative Johnson moved that the vote by which **SB 143,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 147 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richrdson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 147** be passed.

On the roll call the vote was yeas 81-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Cruper, Curd, Cyrus, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Richardson, B., Richardson, P., Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 4-McNutt, Noe, Tobin, Turner.

SB 147 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 147** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Speaker Pro tempore presiding.

Representative Guenthner moved the adoption of the following Legislative Citation No. 48:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Mrs. Debby Hupp, distinguished Grammy Award winner for the best Country Song "You Decorated My Life" and certainly the Grammy Award brilliantly decorated your life. Your composition was ably rendered by Kenny Rogers also a Grammy Award winner February 27, 1980 at Hollywood. As a thirty-one year old homemaker, the wife of policeman Harry Hupp and mother of five children your accomplishment is exceptionally outstanding. Your vision and dream resulted in a grand composition revealing the aspirations and ambitions of the common folk. Your talent has influenced the course of modern country music. You have shared generously your great gift of music with our State and all music lovers throughout the world. This prestigious body salutes you and we are very proud that you are a Kentuckian. Accept our best wishes for a successful musical career. (Sponsored by Representative Guenthner)

Agreed.

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions.

Floor Amendment No. 1 to **HB 141,** by Representative Priddy, is as follows:

Amend printed copy of **HB 141,** page 4, line 6. by deleting the words "but not more than fifty (50) pounds" and inserting in lieu thereof the words "or more"

and on page 4, by deleting lines 11 through 16 and renumbering the remaining subsections to conform;

and on page 10, line 5, by inserting a "," after the word "sale";

and by deleting the word "or" on said line, and by inserting the words "or use" following the word "transfer" on said line.

Floor Amendment No. 2, to the Committee Amendment No. 1 to **HB 141,** by Representative Riner, is as follows:

Amend printed copy of Committee Amendment 1 to **HB 141,** page 1, line 2 by deleting the words "one (1) pound" and inserting in lieu thereof the words "one-fourth (¼) pound";

And on page 1, line 4, by deleting the words "one (1) pound" and inserting in lieu thereof the words "one-fourth (¼)pound";

And on page 1, line 6, by deleting the words "one (1) pound" and inserting in lieu thereof the words "one-fourth (¼) pound".

Floor Amendment No. 3 to Committee Amendment No. 1 to **HB 141,** by Representative Ellington, is as follows:

Amend printed copy of Committee Amendment 1 to **HB 141,** page 1, lines 1 through 6 by deleting lines 1 through 6 in their entirety.

Floor Amendment No. 1 to the Second Committee Substitute to **HB 147,** by Representative Clarke, is as follows:

Amend printed copy of 2nd Committee Substitute for **HB 147,** page 1, line 12 by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 3, line 1, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 4, line 10, by inserting after the word "the" and before the word "project" the words, "purpose of the ";

Page 5, line 19, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 7, line 2, by inserting after the word "the" and before the word "project" the words, "purpose of the ";

Page 8, line 5, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 9, line 14, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 10, line 23, by inserting after the word "the" and before the word "project" the words, "purpose of the ";

Page 12, line 6, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 13, line 15, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 14, line 24, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 16, line 7, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 17, line 16, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 18, line 25, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 20, line 8, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 21, line 17, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 22, line 26, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 24, line 8, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 25, line 16, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 26, line 25, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 28, line 8, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 29, line 17, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 30, Line 25, by inserting after the word "the" and before the word "project" the words, "purpose of the";

Page 32, line 1, by striking the figure "12" and inserting in its place the figure "23";

Line 4 and 5, by striking the words on Lines 4 and 5 and inserting in their place the following:

"enter into any contract with the federal government or any agency of the federal government, when the satisfaction of".

Floor Amendment No. 1 to **HB 176,** by Representative B. Richardson, is as follows:

Amend printed copy of **HB 176,** page 1, line 3, by deleting the word "*third*" and inserting in lieu thereof the word "*first*".

Floor Amendment No. 1 to **HB 296,** by Representative Cawood, is as follows:

Amend printed copy of **HB 296,** page 7, lines 6-10 as follows:

Line 6, place bracket before "Section 4...." and on line 10 place bracket after the period ".". (Delete all of Section 4, removing appropriation.)

Floor Amendment No. 1 to **HB 306,** by Representative Patrick, is as follows:

Amend printed copy of **HB 306,** page 4 after line 12, by inserting the following:

"*(16) Any person who violates section 3 of this Act shall be fined no less than five hundred dollars ($500) and no more than one thousand dollars ($1,000) or be imprisoned for up to three (3) months or both.*"

And on page 4, after line 19, by adding the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 150 IS CREATED TO READ AS FOLLOWS:

(1) Trapping season for the red fox shall extend from the third Thursday in November through January 31.

(2) No more than two (2) pelts of the red fox may be in possession two (2) weeks after the trapping season ends."

Floor Title Amendment to **HB 306,** by Representative Patrick, is as follows:

Amend printed copy of **HB 306,** page 1, by amending the title to read as follows:

"AN ACT relating to fish and wildlife."

Floor Amendment No. 2 to **HB 306,** by Representative Patrick, is as follows:

Amend printed copy of **HB 306,** page 4, after line 12, by inserting the following:

"*(16) Any person who violates section 3 of this Act shall be fined no less than five hundred dollars ($500) and no more than one thousand dollars (1,000) or be imprisoned for up to three (3) months or both.*"

and on page 4, after line 19, by adding the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 150 IS CREATED TO READ AS FOLLOWS:

All commercial traps shall be set a minimum of twelve (12) inches at the lowest point beneath the plane of the earth, exclusive of water sets."

Floor Title Amendments to **HB 468,** by Representative Noe, is as follows:

Amend printed copy of **HB 468,** by amending the title to read as follows;

"AN ACT relating to the Kentucky Development Finance Authority."

Floor Amendment No. 2 to Committee Substitute to **HB 502,** by Representative Farrow, is as follows:

Amend printed copy of Committee Substitute for **HB 502** page 3, lines 1, 4 as follows:

On line 1, by deleting the word "*not*" and the word "*first*", and by substituting for the word "*first*" the following "*second or third*";

And on line 4, by adding after the word "*districts*" the following:

"*. (d) Counties which do not contain a city of the second or third class shall be governed by subsections (a) and (b) of this section*".

Floor Amendment No. 2 to **HB 586,** by Representative Wilborn, is as follows:

Amend printed copy of **HB 586,** page 4, line 8, by inserting (5)*The hours so fixed by the legislative body of the first four classes, shall not prohibit the sale of distilled spirits or wine at retail between 8 a.m. and midnight on any day except Sunday.*

Floor Amendment No. 1 to Committee Substitute to **HB 662,** by Representative Stumbo, is as follows:

Amend printed copy of Committee Substitute to **HB 662** as follows:

Page 9, line 5 after "requested." add the foillowing;

Section 6

(1) No person shall sell, or offer for sale any starter boxes or earthworms on Sunday.

(2) The earthworm shall be hereinafter known and officially recognized as the State Worm of the Commonwealth of Kentucky, and shall be so denoted upon all publications of the Commonwealth that bear the other officially reocgnized tree, plant, flower and bird of the Commonwealth.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Thomas, **HB 838, HB 525, HB 382, HB 119, HB 962, HB 391, HB 568, HB 472,** and **HB 104:** Representative White, **HB 347.**

Representative Priddy requested that she be recorded as voting "yea" on **SB 90.** Agreed.

Representative B. Richardson moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions

HR 111, by Representative Donnermeyer: A RESOLUTION requesting the Kentucky Commissioner of Labor to advertise and request comments regarding inequities in the alignment of prevailing wage localities.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Health and Welfare: **SCR 43, HB 842, HB 848, HB 906, SCR 23.**

Cities: **HB 721, HB 875.**

Counties and Special Districts: **HB 856, HB 747, HB 815.**

Elections and Constitutional Amendments: **HB 775.**

Appropriations and Revenue: **HB 825, HB 167, HB 245, HB 857, HB 693, HJR 21.**

Transportation: **HB 426, HB 863, HB969.**

Labor and Industry: **HB 786.**

State Government: **HB 532, HB 878.**

Education: **HB 946, HB 395, HB 910, HB 897.**

Banking and Insurance: **HB 441, HB 442, HB 484.**

Business Organizations and Professions: **HR 102.**

Report of Committees

The Committee on Cities reported **HB 683, HB 741** with Committee Amendment attached thereto, **SB 41, HCR 66, HB 611** with Committee Amendment attached thereto, and **SB 26** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 683, AN ACT changing the classification of the City of Mount Washington, in Bullitt County.

WHEREAS, satisfactory information has been presented to the general assembly that the population of the city of Mount Washington, in Bullitt County, is such as to justify its being classified as a city of the fourth class;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The city of Mount Washington, in Bullitt County, is transferred from the fifth to the fourth class of cities.

HB 741, AN ACT relating to redistricting in urban-county governments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 67A IS CREATED TO READ AS FOLLOWS:

Notwithstanding any contrary provision of the comprehensive plan or an urban-county government, the legislative body of an urban-county government may defer redistricting of the legislative districts of such body subsequent to each decennial census by the United States bureau of census until after completion of the redistricting of general assembly seats within the urban-county government legislative districts hereunder shall be effective for the first regular urban-county government primary election scheduled more than one hundred eighty (180) days after completion of such redistricting; provided that in no event will the redistricting become effective later than two (2) years after release of the census data upon which the redistricting is based.

The Committee Amendment No. 1 to **HB 741** is as follows:

Amend printed copy of **HB 741,** page 1, line 10, after the word "urban-county" insert the words "subsequent to such census. The redistricting of urban-county"...

SB 41, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 82A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

Each city shall constitute a corporation, with capacity to sue and be sued, to contract and be contracted with, to acquire and dispose of property, and to have a common seal and change it at pleasure or act without a seal.

SECTION 2. A NEW SECTION OF KRS CHAPTER 82A IS CREATED TO READ AS FOLLOWS:

(1) A city may exercise any power and perform any function within its boundaries, including the power of eminent domain in accordance with the provisions of the Eminent Domain Act of Kentucky, that is in furtherance of a public purpose of the city and not in conflict with a constitutional provision or statute.

(2) A power or function is in conflict with a statute if it is expressly prohibited by a statute or there is a comprehensive scheme of legislation on the same general subject embodied in the Kentucky Revised Statutes including, but not limited to, the provisions of Chapter 96.

Section 3. The following KRS sections are repealed:

65.010 Conveyance of real estate.
66.410 Establishment of public works cumulative reserve fund authorized.
66.420 Levy of tax for fund.
66.430 Uses to which fund may be devoted — Definition of "public works."
66.440 Expenditures from fund.
66.450 Accumulation of fund — No lapse.
66.460 Investment of fund.
67.330 Definitions for KRS 67.340 to 67.370.
67.340 Power of city of first class and county containing such city to acquire and use joint city-county governmental building.
67.350 Contracts and agreements for joint acquisition, ownership, use and operation of city-county building.
67.360 Financing of city-county building.
67.370 Authority for city-county building is optional — Liberal construction.
69.450 City attorneys in cities of the second class — Election — Duties.
69.460 City solicitor in cities of the second class — Appointment — Duties — Powers.
69.470 City solicitor in second-class cities to represent trustees of police and firemen's pension fund.
69.480 City attorney in cities of the third class — Election — Qualifications.
69.490 Duties of city attorney in cities of the third class.
69.540 City attorney in cities of the third class to represent trustees of police and firemen's pension fund.
69.550 Percentage of fines and forfeitures may be allowed city attorneys in cities of the fourth, fifth and sixth classes.
69.560 City attorneys in cities of the fourth class — Manner of selection — Qualifications — Duties — Salary.
69.575 City attorney in cities of fourth class to represent trustees of police and firemen's pension fund.
69.580 City attorney in cities of the fifth class — Duties — Employment of special counsel.
69.590 City attorneys in cities of the sixth class — Appointment — Duties — Employment of special counsel.
82.030 Payment of medical and hospital expenses of city employes.
82.040 Group plan life insurance for city employes.
82.050 Condemnation of property, issuance of bonds and pledge of parking meter revenues for off-street parking facilities.
82.060 Cities authorized to sell surplus real estate — When — Provisions as to park property held in trust.
84.010 Incorporation and general powers.
84.150 General powers of council.
84.160 Public ways, regulation of use.
84.170 Bridges, culverts, sewers and watercourses.
84.180 Parks, cemeteries and public grounds.
84.190 Trades, occupations and professions — Businesses — Exhibitions and amusements.
84.200 Weights and measures — Inspection of commodities — Monopolistic practices.
84.210 Protection of public health.
84.220 Nuisances — Licensing of Dogs — Animals running at large.
84.240 Building and vehicle inspection — Smoke abatement.
84.250 Suppression of vice — Vagrants — Beggars — Gamblers — Prostitutes.
84.260 Idiots, insane persons and inebriates — Poor persons.
85.010 Incorporation and general powers.
85.020 Process, when to run in name of city.
86.010 Incorporation and general powers.
86.110 General powers of city council.
86.120 Trades, occupations and professions — Amusements — Vehicles.
86.130 Weights and measures — Inspection of commodities — Sale of food.

86.140 Protection of public health — Hospitals.
86.150 Nuisances — Stock at large.
86.160 Fire protection and prevention — Building inspection.
86.170 Suppression of vice.
87.010 Incorporation and general powers.
87.060 Penalties for violation of ordinances — Prosecution.
87.070 General powers of city council.
87.080 Power to acquire and dispose of property — Restrictions as to disposition of water front.
87.090 Power to condemn property.
87.100 Real estate dedicated for streets may be used for public buildings.
87.110 Council shall regulate city cemeteries.
87.120 Power to regulate animals running at large.
88.010 Incorporation and general powers.
88.070 Violation of ordinances.
88.080 General powers of board of trustees.
88.090 Power to acquire, control and dispose of property.
88.100 Power to condemn property.
88.110 Power to use real estate dedicated for streets for public buildings.
88.120 City cemetery controlled by board of trustees — Endowment funds.
88.130 Board may prohibit stock running at large.
93.010 Definitions.
93.015 Application of KRS 94.292 to 94.325 to first-class cities.
93.020 Department of public works — Administration — Organization.
93.030 Division of engineering — Control — Chief engineer.
93.050 Public ways, improvements and places — Control.
93.060 Public buildings and improvements — Control.
93.070 Work by department — Estimate of cost.
93.080 Work by contract — Specifications — Publication — Bids.
93.090 Alterations in plans.
93.100 Acquisition of property for use of city — Condemnation.
93.120 Lease of wharf property — Improvements.
93.275 Garbage disposal system.
93.280 Grade crossing elimination — Power to contract for.
93.290 Grade crossing elimination — Power to order — Plans — Specifications.
93.300 Cost — Apportionment — Payment — Records.
93.310 Maintenance of roadways, bridges, on new grade crossing.
93.320 Condemnation for grade crossing elimination.
93.330 Bond issue for grade crossing elimination — Terms — Use of proceeds.
93.340 Control of bonds — Sale — Proceeds.
93.350 Rejection of bond issue by voters — Resubmission.
93.351 Declaration of need for off-street parking facilities.
93.352 Powers of cities — Land acquisition — Construction, maintenance, operation, contracting for or leasing of parking facilities — Sale of property — Charges, rates, or fees.
93.354 Revenue bonds.
93.355 Fees, charges — Operating, sinking and reserve funds — Use of excess revenues.
93.356 State or federal aid.
93.359 Lease of space on parking meter posts.
93.370 Improvement of streets and alleys — Hearing — Curbing included — Apportionment of cost — Square defined — Ordinance as to city bearing cost.
93.380 Fire hydrants — When city may install — Contract for installation — Apportionment of cost.
93.390 Water, gas and sewer service pipes — Cost.
93.400 Details to be fixed by ordinance — Passage.
93.410 Sidewalks and curbing — Apportionment of cost.
93.420 Public way improvement by property owners.
93.430 Inspection, acceptance of improvements — Notice — Hearing.
93.440 State property liable for improvements.
93.450 Lien for improvements — Limits on liability of city and property owners.
93.460 Action to enforce lien — Redemption provisions — Deed.
93.470 Apportionment warrants — Liens based on.
93.480 Notice of improvement tax — Instalment payment option.

93.490 Instalment agreement — Termination of option.
93.500 Instalments, when due — Interest — Acceleration privilege.
93.510 Instalment notice — Default.
93.520 Refund of excess instalments — Effect of noncollection.
93.530 Instalment plans other than ten-year.
93.540 Improvement bonds — Issuance — When due.
93.550 Improvement bonds — Denomination — Interest rate — Form.
93.560 Improvement bonds — Negotiable — Tax-exempt — Sale at par or to contractor.
93.570 Improvement bonds — Fund for payment — Redemption.
93.580 Improvement bonds — Rights of holders — Foreclosure suits.
93.590 Improvement fund — Custody — Disbursements — Improvement units to be separate.
93.600 Improvement fund — Appropriation for deficits.
93.880 Establishment of arterial highways plan authorized — Power to change existing streets, acquire property, construct improvements, assess cost.
93.890 Improvement costs, what to include.
93.900 Benefited area.
93.910 Maps and plans — Division of benefited area into zones — Apportionment of assessments — Notice.
93.920 Lien for assessments — Interest — Methods of paying assessments — Penalties — Collection — Use of funds — Additional assessments — Assessment of state property.
93.930 Acquisition of rights of way — Condemnation — Application of ordinary street laws.
93.940 Assessments limited to seventy-five per cent of value of property.
93.950 Effect on ordinary street laws — Repairs — Improvements — Sidewalks — Curbs — State or federal aid.
93A.010 Definitions.
93A.020 Legislative finding.
93A.030 Further findings as to degree of benefit — Benefit zones — Assessments.
93A.040 City's authority in financing projects.
93A.050 Limitations on scope of project.
93A.060 Legislative finding.
93A.070 Authority of second and third class cities to construct pedestrian mall — Definitions.
94.010 Definitions.
94.020 Board of public works instead of superintendent — Cities of second class.
94.030 Superintendent of public works — Employes — Appointment — Compensation.
94.040 Superintendent of public works — Powers.
94.050 Superintendent of public works — Duties — Appropriation for public works.
94.060 City engineer — Assistant — Appointment — Salaries — Duties.
94.070 Board of public works — Appointment — Qualifications — Cities of third and fourth classes.
94.080 Term — Vacancies — Compensation — Meetings — Officers — Quorum.
94.090 Proceedings — Journal — Legislative participation.
94.100 Estimate and tax levy for appropriations — Additional appropriations.
94.110 Powers of board of public works.
94.120 Control of health and welfare departments and employes in cities of third class.
94.130 Contracts for public works.
94.140 Special provisions as to contracts for public works in cities of third class.
94.150 City engineer — Cities of third and fourth classes.
94.160 Alternate method for cities of second to sixth class to acquire and operate sewerage system — Water system may be joined.
94.170 City of third, fourth, fifth or sixth class may condemn property for sewerage system under alternate method.
94.205 Extension of sewers to common school outside city.
94.280 Garbage dump — Acquisition of land for — Road.
94.281 Definitions for KRS 94.282 to 94.286.
94.282 Power of city to acquire and operate garbage disposal system — Acquisition of existing system.
94.283 Ordinance for acquisition of system and issuance of bonds — Popular election — Plans and specifications — Acquisition of lands and easements.
94.285 Charges for services — Rules and regulations.
94.286 Operation and management of system — Garbage disposal commission.
94.287 Alternate method.
94.291 Application of KRS 94.291 to 94.325.

94.292 Power of city to make public improvements — Preliminary resolution — Determinations by city legislative body.
94.293 Provision for more than one improvement in a single ordinance.
94.500 Oiling of public ways — Tax for cost — Provisions for — Cities of second class.
94.510 Oiling of public ways — Assessment and payment of cost — Cities of second class.
94.520 Oiling of streets — Cities of third class.
94.530 Oiling of public ways — Resolution — Notice — Cities of fourth, fifth and sixth classes.
94.540 Oiling of public ways — Tax for — Cities of fourth, fifth and sixth classes.
94.550 Grade crossing elimination — Provisions for work — Sharing and payment of cost — Cities of second class.
94.570 Condemnation of property for grade crossing elimination.
94.670 Public ways — Removal of obstructions — Opening when closed — Cities of sixth class.
94.680 Condemnation of property for public purposes in cities of second class.
94.740 Cities of second class may provide and maintain parking meters.
94.750 Off-street parking facilities — Acquisition and operation.
94.760 Lease of advertising space on parking meter posts.
95.700 Police departments — Appointments — Term of office.
95.810 Fire apparatus — Indebtedness — Tax levy.
95.820 Public liability insurance for police and fire departments — Cities of other than first class or urban-county governments.
95.840 Accident and death benefits for members of volunteer fire departments.
97.060 Cities of all classes may acquire land for parks — Ordinance — Creation of commission.
97.070 Appointment of commission — Members — Terms — Employes.
97.080 Cities may appropriate money and accept grants for park purposes.
103.010 Power of cities of fifth and sixth classes to establish and operate cemeteries — Acquisition of property.
103.020 Board of commissioners for cemetery — Rules and regulations — Use of revenue — Charges for lots and upkeep.
103.030 Tax exemption.
103.040 Acquisition of property for cemetery — Condemnation.
103.050 Revenue bonds — Issuance — Terms — Additional bonds.
103.060 Bonds negotiable and tax-free — Payable only from revenue.
103.070 Use of proceeds of bonds — Lien in favor of bondholders.
103.080 Dedication of existing cemetery property.
103.090 Acceptance of gifts and donations.
103.100 Deposit and withdrawal of funds.
104.020 Definitions for KRS 104.030 to 104.160.
104.030 Power of cities to establish flood control systems — Power to acquire property — Methods of financing.
104.040 Ordinance for establishment of flood control system — Notice — Hearing — Passage over protest.
104.050 What agency to control system — Contracts.
104.060 Payment of preliminary expenses.
104.070 Condemnation.
104.080 Expenses for which bonds may be issued.
104.090 Issuance of general obligation bonds.
104.100 Issuance of assessment bonds.
104.110 Assessments against benefited property.
104.120 Levy and collection of assessments — Lien.
104.130 Collection of delinquent assessments.
104.140 Court review of proceedings.
104.150 Contribution from county.
104.160 Power is additional — Jurisdiction outside corporate limits of city.
104.170 Condemnation for flood control, flood protection or drainage.
104.180 Condemnation by city of fourth class for purpose of straightening or widening a creek.
104.200 Definitions for KRS 104.210 to 104.380.
104.210 Power of city of fourth class to establish flood control system — Acquisition of property and construction of works — System deemed to benefit property.
104.220 Methods of securing funds for system.
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104.250 Notice of hearing on initial resolution.
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104.290 Preliminary expenses, payment of.
104.300 Assessment bonds, issuance of.
104.310 Assessments on benefited property.
104.320 Collection of assessments by suit.
104.330 Bonds, effect and validity of — Incontestability of bonds and assessments.
104.340 Annual assessment for operation and maintenance of system.
104.350 Condemnation.
104.360 Appeal to courts.
104.370 County may make contribution.
104.380 KRS 104.210 to 104.380 are supplemental to other laws, and complete grant of power.
105.050 Memorial commission — Appointment — Powers — Term — Vacancies — Compensation — Expenses.
105.060 Officers and employes of commission.
105.070 Bonds of officers.
105.080 Powers of commission in carrying out enumerated purposes.
105.090 Nature of memorial.
105.100 Plans for memorial — Investigation and report.
105.110 Financing of memorial.
105.120 Bids for labor and material.
105.130 Report on completion of memorial — Tax levy for maintenance.
105.140 Fiscal year — Financial statement on funds needed for maintenance — Improvement and replacement fund.
105.150 Limitation of maintenance expense.
105.160 Annual report — Accounting system — Examination and reports of accounts and records.
105.170 Use of memorial — Charges — Disposition of revenue.
105.180 City attorney to render legal service.
200.340 Definitions for KRS 200.340 to 200.355.
200.345 Second-class cities authorized to contribute to support of dependent children.
200.350 Eligibility for city aid — Application — Affidavit and investigation.
200.355 Group payments — Regulations.
216.080 Cities of second to fifth classes may establish hospital.
216.090 Ordinance for establishment of hospital — Election on.
216.230 City may provide for administration of income.
216.240 Hospital commission to operate hospital.
416.120 Condemnation for park purposes in cities of first class.

HCR 66, A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the distribution of low-rent housing projects in counties containing a city of the first class.

WHEREAS, there is a great need for affordable housing in the Commonwealth's metropolitan areas; and

WHEREAS, adequate housing can be made affordable for many persons only when subsidized by the government; and

WHEREAS, it is in the best interest of the Commonwealth that there be an adequate stock of government financed low-rent housing units in the metropolitan areas of the state;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission is directed to study the available stock of government financed, subsidized or otherwise provided low-rent housing units in counties containing a city of the first class with a special emphasis on determining whether such units are distributed throughout the county so as to best serve the needs of the lower-income residents of such counties.

Section 2. That the finding of this study along with any recommendation be reported to the appropriate joint committee not later than June 1, 1981.

Section 3. Staff services to be utilized in completing this study are estimated to cost seven thousand dollars ($7,000). These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

HB 487, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.171 is amended to read as follows:

(1) A simple majority of the total membership of a planning commission as established by regulation or agreement shall constitute a quorum, *except that a planning commission created pursuant to KRS 100.137 may specify in its planning agreement that five (5) members constitute a quorum.* Any member of a planning commission who has any direct or indirect financial interest in the outcome of any question before the body shall disclose the nature of the interest and shall disqualify himself from voting on the question, and he shall not be counted for the purpose of a quorum. A simple majority vote of all members present where there is a properly constituted quorum shall be necessary to transact any official business, except that a vote of a simple majority of the total membership shall be necessary for the adoption or amendment of the commission's bylaws, or for elements of the comprehensive plan or regulations.

(2) A planning commission may appoint one or more of its members to act as a hearing examiner or examiners to preside over a public hearing and make recommendations to the commission based upon a transcript of record of the hearing.

Section 2. KRS 100.214 is amended to read as follows:

When in any planning unit containing any portion of a county containing a city of the first class a hearing is scheduled on a proposal *by a property owner* to amend any zoning map [plat, plan, text or regulation], the following notice shall be given in addition to any other notice required by statute by local regulation or ordinance to be given:

(1) Notice of the hearing shall be posted conspicuously on the property the classification of which is proposed to be changed [for] thirty (30) [consecutive] days immediately prior to the hearing. Posting shall be as follows:

(a) The sign shall state "zoning change" and the proposed classification change in letters three (3) inches in height. The time, place and date of hearing shall be in letters at least one (1) inch in height.

(b) The sign shall be constructed of durable material and shall state the telephone number of the appropriate zoning commission.

(2) Notice of the hearing shall be given at least thirty (30) days in advance of the hearing by *first class mail, with certification by the commission secretary or other officer of the planning commission that the notice was mailed, to an owner of every parcel of* [registered mail or by certified mail, return receipt requested to the owners of all] property adjoining at any point the property the classification of which is proposed to be changed, to *an owner of every parcel* [all owners] of property directly across the street from said property, and to *an owner of every parcel* [all owners] of property which adjoins at any point the adjoining property or the property directly across the street. It shall be the duty of the person or persons proposing the amendment to furnish to the planning commission the names and addresses of the owners of all property as described in this subsection. *Records maintained by the property valuation administrator may be relied on to determine the identity and address of said owners.* In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairman of the owner group which administers property commonly owned by the condominium or cooperative owners.

(3) If the hearing has been scheduled for a time during normal working hours, and if, within fifteen (15) days of the scheduled date of the hearing the planning commission shall receive a petition from two hundred (200) property owners living within the planning unit requesting that the hearing be rescheduled for a time after normal working hours, then the planning commission shall reschedule the hearing for a time after normal working hours on a date no earlier than the date of the original hearing. The planning commission shall then publish notice of the new hearing time and date according to the provisions of KRS 100.211, except that notice shall occur at least seven (7) days prior to the public hearing. The sign required by subsection (1) of this section shall be changed to reflect the new hearing time and date at least seven (7) days prior to the public hearing. The persons who receive mail notice according to the provisions of subsection (2) of this section shall again be notified *in the same manner* [by certified or registered mail, return receipt requested], of the new hearing time and date at least seven (7) days prior to the hearing. The hearing time shall not be changed more than once by the procedures of this section except in the event of intervening emergency which requires the cancellation of a hearing.

(4) Notice by mail shall include a list of the names and addresses of each person so notified, and a description of the procedure by which those notified can petition for a change in the hearing time.

Section 3. KRS 100.347 is amended to read as follows:

Any appeal from commission action may be taken in the following manner:

(1) Any person or entity claiming to be injured or aggrieved by any final action of the planning commission or board of adjustments may appeal from the action to the circuit court of the county in which the land lies. [Such appeal shall be taken within thirty (30) days after the final action of the commission or board.] Final action shall not include commission's recommendations made to other governmental bodies.

(2) *Any person or entity claiming to be injured or aggrieved by the final decision of a local legislative body granting or denying a map amendment to the existing zoning regulations may appeal that decision to the circuit court.*

(3) All appeals shall be taken in the appropriate circuit court within thirty (30) days after the action or decision of the *local legislative body,* planning commission, or board of adjustments and all decisions which have not been appealed within thirty (30) days shall become final. *The appeal procedure shall be governed by Rule 72 of the Rules of Civil Procedure. For purposes of notice, the parties shall be the decision making body and all adverse parties appearing and presenting testimony in their own behalf at any public hearing related to the case.* [After the appeal is taken the procedure shall be governed by the Rules of Civil Procedure. When an appeal has been filed, the clerk of the circuit court shall issue a summons to all parties, including the planning commission in all cases, and shall cause it to be delivered for service as in any other law action.]

The Committee Substitute to **HB 487** is as follows:

HB 487, AN ACT relating to zoning and planning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.171 is amended to read as follows:

(1) A simple majority of the total membership of a planning commission as established by regulation or agreement shall constitute a quorum, *except that a planning commission created pursuant to KRS 100.137 may specify in its planning agreement that five (5) members constitute a quorum.* Any member of a planning commission who has any direct or indirect financial interest in the outcome of any question before the body shall disclose the nature of the interest and shall disqualify himself from voting on the question, and he shall not be counted for the purpose of a quorum. A simple majority vote of all members present where there is a properly constituted quorum shall be necessary to transact any official business, except that a vote of a simple majority of the total membership shall be necessary for the adoption or amendment of the commission's bylaws, or for elements of the comprehensive plan or regulations.

(2) A planning commission may appoint one or more of its members to act as a hearing examiner or examiners to preside over a public hearing and make recommendations to the commission based upon a transcript of record of the hearing.

Section 2. KRS 100.212 is amended to read as follows:

When in any planning unit containing any portion of a county *not containing a city of the first class* a hearing is scheduled on a proposal *by a property owner* to amend any zoning map [plat, plan, text or regulation], the following notice shall be given in addition to any other notice required by statute by local regulation or ordinance to be given:

(1) Notice of the hearing shall be posted conspicuously on the property the classification of which is proposed to be changed for fourteen (14) consecutive days immediately prior to the hearing. Posting shall be as follows:

(a) The sign shall state "zoning change" and the proposed classification change in letters three (3) inches in height. The time, place and date of hearing shall be in letters at least one (1) inch in height.

(b) The sign shall be constructed of durable material and shall state the telephone number of the appropriate zoning commission.

(2) Notice of the hearing shall be given at least fourteen (14) days in advance of the hearing by registered mail or by certified mail, return receipt requested to the owners of all property adjoining the property the classification of which is proposed to be changed. It shall be the duty of the person or persons proposing the amendment to furnish to the planning commission the names and addresses of the owners of all adjoining property.

Section 3. KRS 100.214 is amended to read as follows:

When in any planning unit containing any portion of a county containing a city of the first class a hearing is scheduled on a proposal *by a property owner* to amend any zoning map [plat, plan, text or regulation], the following notice shall be given in addition to any other notice required by statute by local regulation or ordinance to be given:

(1) Notice of the hearing shall be posted conspicuously on the property the classification of which is proposed to be changed [for] thirty (30) [consecutive] days immediately prior to the hearing. Posting shall be as follows:

(a) The sign shall state "zoning change" and the proposed classification change in letters three (3) inches in height. The time, place and date of hearing shall be in letters at least one (1) inch in height.

(b) - The sign shall be constructed of durable material and shall state the telephone number of the appropriate zoning commission.

(2) Notice of the hearing shall be given at least thirty (30) days in advance of the hearing by *first class mail, with certification by the commission secretary or other officer of the planning commission that the notice was mailed, to an owner of every parcel of* [registered mail or by certified mail, return receipt requested to the owners of all] property adjoining at any point the property the classification of which is proposed to be changed, to *an owner of every parcel* [all owners] of property directly across the street from said property, and to *an owner of every parcel* [all owners] of property which adjoins at any point the adjoining property or the property directly across the street. It shall be the duty of the person or persons proposing the amendment to furnish to the planning commission the names and addresses of the owners of all property as described in this subsection. *Records maintained by the property valuation administrator may be relied on to determine the identity and address of said owners.* In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairman of the owner group which administers property commonly owned by the condominium or cooperative owners.

(3) If the hearing has been scheduled for a time during normal working hours, and if, within fifteen (15) days of the scheduled date of the hearing the planning commission shall receive a petition from two hundred (200) property owners living within the planning unit requesting that the hearing be rescheduled for a time after normal working hours, then the planning commission shall reschedule the hearing for a time after normal working hours on a date no earlier than the date of the original hearing. The planning commission shall then publish notice of the new hearing time and date according to the provisions of KRS 100.211, except that notice shall occur at least seven (7) days prior to the public hearing. The sign required by subsection (1) of this section shall be changed to reflect the new hearing time and date at least seven (7) days prior to the public hearing. The persons who receive mail notice according to the provisions of subsection (2) of this section shall again be notified *in the same manner* [by certified or registered mail, return receipt requested], of the new hearing time and date at least seven (7) days prior to the hearing. The hearing time shall not be changed more than once by the procedures of this section except in the event of intervening emergency which requires the cancellation of a hearing.

(4) Notice by mail shall include a list of the names and addresses of each person so notified, and a description of the procedure by which those notified can petition for a change in the hearing time.

Section 4. KRS 100.347 is amended to read as follows:

Any appeal from commission action may be taken in the following manner:

(1) Any person or entity claiming to be injured or aggrieved by any final action of the planning commission or board of adjustments may appeal from the action to the circuit court of the county in which the land lies. [Such appeal shall be taken within thirty (30) days after the final action of the commission or board.] Final action shall not include commission's recommendations made to other governmental bodies.

(2) *Any person or entity claiming to be injured or aggrieved by the final decision of a local legislative body granting or denying a map amendment to the existing zoning regulations may appeal that decision to the circuit court.*

(3) All appeals shall be taken in the appropriate circuit court within thirty (30) days after the action or decision of the *local legislative body,* planning commission or board of adjustments and all decisions which have not been appealed within thirty (30) days shall become final. After the appeal is taken the procedure shall be governed by the Rules of Civil Procedure. When an appeal has been filed, the clerk of the circuit court shall issue a summons to all parties, including the planning commission in all cases, and shall cause it to be delivered for service as in any other law action.

HB 611, AN ACT relating to the municipal insurance premium tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 92.285 is amended to read as follows:

(1) The legislative body of each city or urban-county government which is authorized to impose and collect license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance shall file with the commissioner of insurance a copy of all ordinances and amendments thereto which impose any such license fee or tax.

(2) Any license fee or tax imposed by such a city or urban-county government upon any fire insurance company shall be based upon a percentage of the premiums received by the company within the preceding calendar year, for insurance on property located within the corporate limits of the city or urban-county government, less all premiums returned to policyholders. A fire insurance company entering a city or urban-county government during a license year shall at the end thereof promptly pay to such city or urban-county government the full additional tax due on such percentage basis.

(3) Any license fee or tax imposed by such a city or urban-county government upon a life insurance company may be based upon premiums received, and if so based shall be applied to premiums from new policies written within the preceding calendar year upon the lives of persons residing within the corporate limits of such city or urban-county government.

(4) Any license fee or tax imposed by such a city or urban-county government upon any insurance company other than those specified in subsections (2) and (3) shall be based upon a percentage of the premiums received by such company within the preceding calendar year on risks located within the corporate limits of the city or urban-county government on those classes of business which such company is authorized to transact, less all premiums returned to policyholders; provided, however, that any license fee or tax imposed upon premium receipts on a percentage basis shall not include premiums received for insuring employers against liability for personal injuries to their employes, or death caused thereby, under the provisions of the workmen's compensation act.

(5) The department of insurance shall, by regulation, provide for a reasonable collection fee to be retained by the insurance company or its agent as compensation for collecting such tax; provided, however, that the collection fee shall not be more than thirty percent of the fee or tax collected and remitted to the city or urban-county government or two percent of the premiums subject to the tax, whichever is less. *The insurance company shall retain its collection fee out of the license fee or tax collected and shall remit the remainder of the license fee or tax to the city or urban-county government. The insurance company shall not charge a collection fee in addition to the license fee or tax. The insurer shall submit to the policyholder an itemized statement showing the amount of the premium, all taxes and fees charged, and by whom such taxes and fees were levied.* To facilitate computation, collection and remittance of the fee or tax and collection fee provided herein, the fees or taxes set out in subsections (1), (2), (3) or (4) of this section, together with the collection fee herein may be rounded off to the nearest dollar amount.

(6) Accounting and reporting procedures for collection and reporting of the fees or taxes and the collection fee herein provided shall be determined by regulations promulgated by the department of insurance.

(7) Upon written request of the legislative body of any city or urban-county government, at the expense of the requesting city or urban-county government which shall be paid in advance by such city or urban-county government to the department of insurance the department of insurance shall examine or cause to be examined by contract with qualified auditors the books or records of the insurance companies or agents subject to such fee or tax to determine whether the fee or tax is being properly collected and remitted, and the findings of such examination shall be reported to such city or urban-county government. Willful failure to properly collect and remit the fee or tax imposed by a city or urban-county government pursuant to the authority granted by this section shall constitute grounds for the revocation of the license issued to an insurance company or agent under the provisions of KRS Chapter 304.

(8) The license fees or taxes provided for by subsections (2), (3) and (4) of this section shall be due at the beginning of the tax year. The city or urban-county government may collect a fee of five dollars ($5) from any company whose fee or tax on the percentage of premium basis is less than five dollars ($5).

The committee Amendment to **HB 611** is as follows:

Amend printed copy of **HB 611,** page 2, line 25 as follows:

Insert between the words "than" and "thirty" the word "*ten*" and place brackets around the word "thirty";

And on page 3, line 1, insert between the words "or" and "two" the word "*one*" and place brackets around the word "two".

SB 26, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 83A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context otherwise requires:

(1) "Board" means the board of commissioners in any city organized and governed under the city manager plan.

(2) "Code of ordinances" means a re-enactment of the body of positive municipal law, read and interpreted as a whole, with the text arranged by subject matter and properly indexed.

(3) "Commission" means the city commission in any city organized and governed under the commission plan.

(4) "Composite index" means a loose-leaf compilation of all ordinances listed by date of passage, arranged by subject matter of the contents and indexed alphabetically.

(5) "Council" means the city legislative body in any city organized and governed under the mayor-council plan.

(6) "Executive authority" means the mayor in any city organized and governed under the mayor-council plan or the mayor-aldermen plan as provided in KRS Chapter 83, the commission in any city organized and governed under the commission plan, or the board of commissioners in any city organized under the city manager plan.

(7) "Legislative body member" means a city councilman in any city organized and governed under the mayor-council plan, a city commissioner in any city organized and governed under the commission plan or city manager plan or a city alderman in any city of the first class organized under the mayor-alderman plan provided by KRS Chapter 83.

(8) "Municipal order" means an official act of the legislative body of a municipality which is binding upon the officers and employes of the municipality and any governmental agency over which the municipality has jurisdiction.

(9) "Officer" means any person elected to a position by the voters or any person appointed to a position which (a) is created by the constitution, the general assembly, or a city; (b) possesses a delegation of a portion of the sovereign power of government; (c) has powers and duties to be discharged which are conferred directly or by implication by the city; (d) has duties performed independently and without control of a superior power other than law; (e) has some permanency; (f) requires an official oath; (g) is assigned by a commissison or other written authority; and (h) provides for an official bond if required by proper authority.

(10) "Ordinance" means an official action of a city legislative body, which is a regulation of a general and permanent nature and enforceable as a local law or is an appropriation of money.

(11) "Summary" means a brief narrative prepared under the supervision of an attorney succinctly covering the main points of an official statement, ordinance or rule in a way reasonably calculated to inform the public in a clear and understandable manner as to its meaning.

SECTION 2. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) Each city presently organized and governed under provisions of KRS Chapters 84 through 87 is declared to be organized and governed under the mayor-council plan. Each city presently organized and governed under the provisions of KRS Chapter 88 and KRS 89.010 to 89.380 is declared to be organized and governed under the commission plan. Each city presently organized and governed under the provisions of KRS 89.390 to 89.690 is declared to be organized and governed under the city manager plan.

(2) The present organizational structure of each city shall remain in force until changed under this chapter. All ordinances and resolutions presently in force in each city not in conflict with the provisions of this Act shall remain in force until changed.

SECTION 3. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) Each city organized and governed under the mayor-council plan shall have a mayor and each shall have a legislative body composed of:

(a) Twelve (12) members in cities of the first class;

(b) Not less than six (6) nor more than twelve (12) members as prescribed by ordinance in cities of the second, third and fourth classes;

(c) Six (6) members in cities of the fifth and sixth classes.

(2) Each city organized and governed under the commission plan or city manager plan shall have a legislative body composed of a mayor and four (4) commissioners.

(3) Before expiration of the terms of the present legislative body members, each city shall take necessary action to be in compliance with this section and in no event shall a city fail to be in compliance within two (2) years from the effective date of this Act. Compliance may be compelled by injunction upon petition to the circuit court by any citizen of the Commonwealth.

(4) Any city required to change legislative body size under this section as a result of a federal census, except cities which have staggered terms under provisions of Section 11 of this Act, shall take necessary action to be in compliance with this section upon expiration of the terms of existing legislative body members.

(5) Any city having staggered terms for legislative body members required to increase legislative body size under this section as a result of a federal census shall take necessary action to elect additional

legislative body members under provisions of Section 5 of this Act. Length of terms for such additional legislative body members shall be determined as provided in Section 11 of this Act.

(6) Any city having staggered terms for legislative body members required to decrease legislative body size under this section as a result of a federal census shall at the expiration of the terms of half of the legislative body next occurring not fill those offices and at the next succeeding regular election the terms for the remaining legislative body members shall be determined under the provisions of Section 11 of this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) A mayor shall be elected by the voters of each city at a regular election. His term of office shall begin on the first Monday of January following his election and shall be for four (4) years and until his successor qualifies. A mayor shall be at least twenty-five (25) years of age, shall be a qualified voter in the city, and shall reside in the city throughout his term of office.

(2) If a vacancy occurs in the office of mayor, the legislative body of the city shall fill the vacancy within thirty (30) days.

(3) Each legislative body member shall be elected at-large by the voters of each city at a regular election. His term of office shall begin on the first Monday of January following his election and shall be for two (2) years and until his successor qualifies, except as provided by Section 5 of this Act. A member shall be at least twenty-one (21) years of age, shall be a qualified voter in the city and shall reside in the city throughout his term of office.

(4) If one (1) or more vacancies on a legislative body occur in a way that one (1) or more members remain seated, the remaining members shall within thirty (30) days fill the vacancies one (1) at a time, giving each new appointee reasonable notice of his selection as will enable him to meet and act with the remaining members in making further appointments until all vacancies are filled. If vacancies occur in a way that all seats become vacant, the governor shall appoint qualified persons to fill the vacancies sufficient to constitute a quorum. Remaining vacancies shall be filled as provided in this section.

(5) If for any reason, any vacancy in the office of mayor or the legislative body is not filled within thirty (30) days after it occurs, the governor shall promptly fill the vacancy by appointment of a qualified person who shall serve for the same period as if otherwise appointed.

(6) Except in cities of the first class, any elected officer, in case of misconduct, inability, or willful neglect in the performance of the duties of his office, may be removed from office by a unanimous vote of the members of the legislative body exclusive of any member to be removed, who shall not vote in the deliberation of his removal. No elected officer shall be removed without having been given the right to a full public hearing. The officer, if removed, shall have the right to appeal to the circuit court of the county and the appeal shall be on the record. No officer so removed shall be eligible to fill the office vacated before the expiration of the term to which originally elected.

SECTION 5. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) Except in cities of the second class which operate under the city manager form of government pursuant to Section 15 of this Act, election of city officers shall be governed by general election laws as provided in KRS Chapters 116 through 125 unless the city legislative body prescribes by ordinance, not later than two hundred forty (240) days prior to a regular election in which any city office is to be filled, that election of city officers shall be under nonpartisan city election laws as provided in Section 17 of this Act. City officers of each city of the second class operating under the city manager form of government pursuant to Section 15 of this Act shall be elected in non-partisan elections as provided in Section 17 of this Act.

(2) A city may change the manner of election of city officers within the provisions of subsection (1) of this section by ordinance, except that no change shall be made earlier than five (5) years from the last change.

(3) The city shall pay the costs of city elections only if city elections are held at a time other than prescribed by law for elections generally.

SECTION 6. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) Each ordinance shall embrace but one (1) subject and shall have a title which shall clearly state the subject.

(2) Each ordinance shall be introduced in writing and shall have an enacting clause styled "Be it ordained by the City of __________________________."

(3) No ordinance shall be amended by reference to its title only, and ordinances to amend shall set out in full the amended ordinance or section indicating any words being added by a single solid line drawn underneath them, and any words being deleted by a single broken line drawn through them.

(4) Except as provided in subsection (7) of this section, no ordinance shall be enacted until it has been read on two (2) separate days. The reading of an ordinance may be satisfied by stating the title and reading a summary rather than the full text.

(5) A city legislative body may adopt the provisions of any local, statewide or nationally recognized standard code and codifications of entire bodies of local legislation by an ordinance which identifies the subject matter by title, source and date and incorporates the adopted provisions by reference without setting them out in full, provided a copy accompanies the adopting ordinance and is made a part of the permanent records of the city.

(6). Unless otherwise provided by statute, a majority of a legislative body shall constitute a quorum and a vote of a majority of a quorum shall be sufficient to take action.

(7) In an emergency, upon the affirmative vote of two-thirds (⅔) of the membership, a city legislative body may suspend the requirements of second reading and publication for an ordinance by naming and describing the emergency in the ordinance.

(8) Every action of the city legislative body shall be made a part of the permanent records of the city and on passage of an ordinance the vote of each member of the city legislative body shall be entered on the official record of the meeting. The legislative body shall provide by ordinance for the maintenance and safekeeping of the permanent records of the city. The person assigned this responsibility and the presiding officer shall sign the official record of each meeting. All ordinances adopted in a city shall, at the end of each month, be indexed and maintained in the following manner:

(a) The city budget, appropriations of money and tax levies shall be maintained and indexed so that each fiscal year is kept separate from other years.

(b) All other city ordinances shall be kept in the minute book or an ordinance book in the order adopted and indexed in a composite index or maintained in a code of ordinances.

(9) Except in cities of the first class, no ordinance shall be effective until published pursuant to KRS Chapter 424. Ordinances except bond ordinances imposing fines, forfeitures, imprisonment, taxes or fees shall be published in full. The publication requirements for all other ordinances shall be satisfied by publication in full or in summary as designated by the legislative body. The requirements for summary publication shall be satisfied by publication of the title and a certified summary of the contents prepared by an attorney licensed to practice law in the Commonwealth of Kentucky. Ordinances that include descriptions of real property may include a sketch, drawing, or map, including common landmarks, such as streets or roads in lieu of metes and bounds descriptions.

(10) A city may by ordinance specify additional requirements for adoption of ordinances in greater detail than contained herein, but a city shall not lessen or reduce the substantial requirements of this section or any other statute relating to adoption of ordinances.

(11) Not less than once every five (5) years each city shall cause all ordinances in the composite index or code of ordinances to be examined for consistency with state law and with one another and to be revised to eliminate redundant, obsolete, inconsistent and invalid provisions.

(12) The legislative body may adopt municipal orders. Any order shall be in writing and may be adopted only at an official meeting. Any order may be amended by a subsequent municipal order or ordinance. All orders adopted shall be maintained in an official order book.

(13) In lieu of an ordinance, a municipal order may be used for matters relating to the internal operation and functions of the municipality and to appoint or remove or approve appointment or removal of members of boards, commissions and other agencies over which the city has control.

(14) All ordinances, and orders of the city may be proved by the signature of the city clerk; and when the ordinances are placed in a printed composite index or code of ordinances by authority of the city, the printed copy shall be received in evidence by any state court without further proof of such ordinances.

(15) For anything said in debate, legislative body members shall be entitled to the same immunities and protections allowed to members of the general assembly.

SECTION 7. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) The legislative body of each city shall by ordinance fix the compensation of every elected city officer not later than the first Monday in May in the year in which the officer is elected. An elected officer's compensation shall not be changed after his election or during his term of office.

(2) The legislative body of each city shall fix the compensation of each appointed city officer in the ordinance that creates the office and may change it by ordinance.

(3) The legislative body of each city shall fix the compensation of city employes in accordance with a personnel and pay classification plan which shall be adopted by ordinance.

(4) All fees and commissions authorized by law shall be paid into the city treasury for the benefit of the city and shall not be retained by any officer or employe.

SECTION 8. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) All nonelected city offices shall be created by ordinance which shall specify:

(a) Title of office;

(b) Powers and duties of office;

(c) Oath of office;

(d) Bond, if required; and

(e) Compensation.

(2) All nonelected city officers shall be appointed by the executive authority of the city and, except in cities of the first class, all such appointments shall be with approval of the city legislative body if separate from the executive authority. The officers may be removed by the executive authority at will unless otherwise provided by law.

(3) Each appointed and elected city office existing upon adoption of this Act shall continue until abolished by ordinance, except that the offices of mayor and legislative body members may not be abolished. No abolition of any elected office shall take effect until expiration of the term of the current holder of the office. No ordinance abolishing any elected office shall be enacted later than two hundred and forty (240) days preceding the regular election for that office, except in the event of a vacancy in the office.

(4) No city may create any elected office. Existing elected offices may be continued under provision of subsection (3) of this section, but no existing elected office may be changed.

SECTION 9. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) Each city may create the position of city administrative officer which shall be directly responsible to the executive authority of the city. Prior to appointment of a city administrative officer, the city legislative body shall in accordance with Section 8 of this Act set qualifications, which shall include but not be limited to professional training and experience in administration sufficient to insure competence, and list duties and responsibilities of the position which shall include, but not be limited to the following:

(a) Advise the executive authority of the city in policy formulation on overall problems of the city;

(b) Have major responsibility for preparation and administration of operating and capital improvement budgets under direction of the executive authority;

(c) Advise the executive authority of the city in the appointment of subordinate administrative personnel if not delegated appointment authority by appropriate order; and

(d) Have continuing direct relationships with operating department heads on implementation and administration of programs.

(2) The city administrative officer shall carry out all additional duties lawfully delegated by appropriate order of the executive authority and shall have the same powers as the executive authority in carrying out such duties.

SECTION 10. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) The legislative body of a city may by ordinance divide the city into the same number of wards as the number of legislative body members. Wards shall be as nearly equal in population as practicable and their boundaries shall be fixed by the ordinance.

(2) The populations of wards shall be reviewed as necessary to insure that populations are as nearly equal as practicable, but in no event shall the populations of wards be reviewed for equalization less often than each regular federal census.

(3) Wards may be abolished by repeal of the ordinance creating them. No creation, alteration or abolition of wards shall occur within two hundred and forty (240) days preceding a regular election.

(4) If a city is divided into wards, legislative body members shall be nominated and elected in the following manner:

(a) Members shall be elected in the regular November election at-large but each candidate shall reside in the ward he seeks to represent and shall be elected in such a manner that each ward is equally represented on the legislative body. The ballot shall be arranged to show for which ward each candidate is seeking election and above the names of the candidates shall be printed the words "vote for one candidate in each ward." The candidate receiving the highest number of votes case for each ward shall be deemed to be elected from such ward.

(b) Persons seeking the nomination of a political party for the office of council member where a primary election is required for such political party, shall be voted upon exclusively by the eligible voters of the ward in which the person resides and seeks to represent.

SECTION 11. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) Staggered terms for city legislative body members may be established or abolished only by popular vote under the provisions of Section 12 of this Act.

(2) If staggered terms for legislative body members are adopted, the length of terms shall be determined in the following manner: subsequent to the election of legislative body members in that same election or in the next regular election but prior to their taking office, it shall be determined that half of the legislative body shall serve a term of two (2) years and half shall serve a term of one (1) year and the determination shall be made by drawing lots. At each subsequent regular election, elections shall be held for half the seats on the city legislative body.

(3) If staggered terms for legislative body members are abolished the length of terms shall be established in the following manner: At the next regular election, the half of the legislative body to be elected shall be elected for one (1) year terms.

(4) No city which changes either to or from staggered terms for legislative body members under this section shall again change sooner than five (5) years from the effective date of the last change.

SECTION 12. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) Any public question authorized by statute may be submitted to the voters of a city by either a resolution of the city legislative body or a petition meeting the requirements of this section. The resolution or petition shall set out in full the matter to be considered. The proposal shall be drafted in such a way that a vote in favor of adoption shall be a vote in favor of the effect or impact of the proposal.

(2) Any five (5) qualified voters of the city may commence petition proceedings by filing with the county clerk an affidavit stating they constitute the petition committee and will be responsible for circulating the petition and filing it in proper form. The affidavit shall state their names and addresses and specify the address to which all notices to the committee are to be sent. It shall set out in full the proposal to be considered by the voters. Promptly after the affidavit of petition committee is filed, the county clerk shall notify the petition committee of all statutory requirements for petitions under this section and shall deliver a copy of the affidavit to the legislative body of the city.

(3) All papers of a petition shall be uniform in size and style and shall be assembled as one instrument for filing. Each signature shall be executed in ink or indelible pencil and shall be followed by the address of the person signing. Petitions shall be signed by registered voters of the city equal in number to at least twenty percent (20%) of the total number of votes cast in the city in the last presidential election. When it is filed, each sheet of a petition shall have an affidavit executed by the circulator stating that he personally circulated the sheet, the number of signatures thereon, that all signatures were affixed in his presence, that he believes them to be the genuine signatures of registered voters in the city and that each signer had an opportunity before signing to read the full text of the proposal. Petitions shall contain or have attached throughout their circulation the full text of the proposal.

(4) Within thirty (30) days after the petition is filed, the county clerk shall complete a certificate as to its sufficiency, specifying, if it is insufficient, the particulars wherein it is defective and shall send a copy to the petition committee and to the city legislative body by registered mail. A petition certified insufficient for lack of the required number of valid signatures may be amended once if the petition committee files a notice of intention to amend it with the county clerk within five (5) days after receiving the copy of his certificate and files a supplemental petition upon additional sheets within thirty (30) days after receiving the certificate. The supplemental petition shall comply with the requirements of subsection (3) and within ten (10) days after it is filed the county clerk shall complete a certificate as to the sufficiency of the petition as amended and promptly send a copy of the certificate to the petition committee and to the city legislative body by registered mail.

(5) A final determination as to the sufficiency of a petition shall be subject to review in the circuit court of the county and shall be limited to the validity of the county clerk's determination. A final determination of insufficiency shall not prejudice the filing in accordance with this section of a new petition for the same purpose.

(6) Upon receipt of a resolution requesting that the question be submitted to the voters or upon certification of a petition as sufficient, the county clerk shall place upon the city ballot for the next regular election that is held not earlier than ninety (90) days after receipt of the resolution or the certification of the petition the question to be submitted to the voters, which question shall be "Are you in favor of the proposal entitled__________? Yes________ No______." The county clerk shall cause to be published in accordance with KRS Chapter 424, at the same time as the sample ballot, the full text of the proposal. The county clerk shall cause to be posted in each polling place one (1) copy of the full text of the proposal.

(7) The provisions of general election law shall apply to public questions submitted to voters under this section. The certificate of the body authorized by law to canvass election returns shall be delivered to the mayor and the certificate shall be entered upon the records of the city at the next regular meeting of the city legislative body.

SECTION 13. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) The form of government provided in this section shall be known as the mayor-council plan and this section shall together with Sections 1 through 12 of this Act govern any city declared to be under the mayor-council plan by Section 2 of this Act or which has adopted the mayor-council plan pursuant to Section 16 of this Act.

(2) Each city under this section shall be governed by an elected executive who shall be called mayor and by an elected legislative body which shall be called the city council, and by such other officers and employes as may be provided for by statute or city ordinance.

(3) The executive authority of the city shall be vested in and exercised by the mayor. The mayor shall enforce the mayor-council plan, city ordinances and orders and all applicable statutes. He shall supervise all departments of city government and the conduct of all city officers and employes under his jurisdiction and shall require each department to make reports to him required by ordinance or as he deems desirable. The mayor shall maintain liaison with related units of local government respecting interlocal contracting and joint activities. The mayor shall report to the council and to the public on the condition and needs of city government as he finds appropriate or as required by ordinance, but not less than annually. He shall make any recommendations for actions by the council he finds in the public interest.

(4) Subject to disapproval of the council, the mayor shall promulgate procedures to insure orderly administration of the functions of city government and compliance with statute or ordinance. Upon promulgation or upon revision or rescission of the procedures, copies shall be filed with the person responsible for maintaining city records as provided under Section 6 of this Act.

(5) The mayor shall preside at meetings of the council. The council may set by ordinance the manner in which one of its number may be selected to preside at meetings of the council in place of the mayor. The mayor may participate in council proceedings, but shall not have a vote, except that he may cast the deciding vote in case of a tie.

(6) All ordinances adopted by the council shall be submitted to the mayor who shall within ten (10) days after submission either approve the ordinance by affixing his signature or disapprove it by returning it to the council together with a statement of his objections. No ordinance shall take effect without the mayor's approval unless he fails to return it to the legislative body within ten (10) days after receiving it or unless the council votes to over-ride the mayor's veto, upon reconsideration of the ordinance not later than the second regular meeting following its return, by the affirmative vote of one (1) more than a majority of the membership.

(7) Any delegation of the mayor's power, duties or responsibilities to subordinate officers and employes and any expression of his official authority to fulfill executive functions shall be made by executive order. Executive orders shall be sequentially numbered by years and shall be kept in a permanent file.

(8) All bonds, notes, contracts and written obligations of the city shall be made and executed by the mayor or his agent designated by executive order.

(9) The mayor shall be the appointing authority with power to appoint and remove all city employes, except as tenure and terms of employment are protected by statute, ordinance or contract and except for employes of the council.

(10) The mayor shall provide for the orderly continuation of the functions of city government at any time he is unable to attend to the duties of his office by delegating responsibility for any function to be performed in accordance with subsection (7), provided that, approving ordinances or promulgating administrative procedures may only be delegated to an elected officer. With approval of the council, the mayor may rescind any action taken in his absence under this subsection within thirty (30) days of such action. If for any reason the disability of the mayor to attend to his duties persists for sixty (60) consecutive days, the office of mayor may be declared vacant by a majority vote of the council and the provisions of Section 4 of this Act shall apply.

(11) The legislative authority of the city shall be vested in and exercised by the elected council of the city. The council shall not perform any executive functions except those functions assigned to it by statute. Regular meetings of the council shall be held at least once each month at such times and places as are fixed by ordinance. Special meetings of the council may be called by the mayor or upon written request of a majority of the council. In the call, the mayor or council shall designate the purpose, time and place of the special meeting with sufficient notice for the attendance of council members and for compliance with KRS Chapter 61. At a special meeting no business may be considered other than that set forth in the designation of purpose. The minutes of every meeting shall be signed by the person responsible for maintaining city records provided under Section 6 of this Act and by the officer presiding at the meeting.

(12) The council shall by ordinance establish all appointive offices and the duties and responsibilities of those offices and codes, rules and regulations for the public health, safety and welfare. The council shall by ordinance provide for sufficient revenue to operate city government and shall appropriate the funds of the city in a budget which shall provide for the orderly management of city resources.

(13) The council shall have the right to investigate all activities of city government. The council may require any city officer or employe to prepare and submit to it sworn statements regarding his performance of his official duties. Any statement required by the council to be submitted or any investigation undertaken by the council, if any office, department or agency under the jurisdiction of the mayor is involved, shall not be submitted or undertaken unless and until written notice of the council's action is given to the mayor. The mayor shall have the right to review any statement before submission to the council and to appear personally or through his designee on behalf of any department, office or agency in the course of any investigation.

SECTION 14. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) The form of government provided in this section shall be known as the commission plan and this section shall together with Sections 1 through 12 of this Act govern any city declared to be under the commission plan by Section 2 of this Act or which has adopted the commission plan pursuant to Section 16 of this Act.

(2) Each city under this section shall be governed by an elected officer who shall be called mayor and by elected legislative body members who shall be called city commissioners and which together shall be known as the city commission and by such other officers and employes as may be provided for by statute or city ordinance.

(3) All legislative, executive and administrative authority of the city shall be vested in and exercised by the commission. The commission shall enforce the commission plan, ordinances and orders of the city and all applicable statutes. The commission shall maintain liaison with related units of local government respecting interlocal contracting and joint activities. The commission shall supervise all departments of city government and the conduct of all city officers and employes under its jurisdiction and may require each department to make such reports to it as it finds necessary. The commission shall report to the public on the condition and needs of the city government as provided by ordinance, but not less than annually.

(4) The mayor shall preside at all meetings of the commission and may vote in all proceedings. All bonds, notes, contracts and written obligations of the city authorized by ordinance or resolution shall be executed by the mayor on behalf of the city. The commission shall designate one (1) city commissioner to serve as mayor pro-tem. The mayor pro-tem shall act for the mayor whenever the mayor is unable to attend to the duties of his office and he shall then possess all rights, powers and duties of mayor. If the disability of the mayor to attend to his duties continues for sixty (60) consecutive days, the office of mayor may be declared vacant by a majority vote of the commission membership, and the provisions of Section 4 of this Act shall apply.

(5) In carrying out its duty to supervise the departments of city government and the conduct of all city officers and employes under its jurisdiction, the commission may require any city officer or employe to prepare and submit to it sworn statements regarding the performance of his official duties.

(6) All administrative and service functions of the city shall be classified under departments created by ordinance which shall prescribe the functions of the department and the duties and responsibilities of the department head and his employes. The commission shall at its first regular meeting in each year designate the commission member to have superintendence over each department established under this subsection, except the commission may delegate responsibility for overall supervision of any or all departments to a city administrative officer established pursuant to Section 9 of this Act.

(7) Regular meetings of the commission shall be held at least once a month at such times and places as are fixed by ordinance. Special meetings may be called by the mayor or two (2) city commissioners. In the call, the mayor or city commissioners shall designate the purpose, time and place of the special meeting with sufficient notice for the attendance of commission members and for compliance with KRS Chapter 61. At a special meeting no business may be considered other than that set forth in the designation of purpose. The minutes of every meeting shall be signed by the person responsible for maintaining city records provided under Section 6 of this Act and by the officer presiding at the meeting.

(8) The commission shall by ordinance establish all appointive offices and the duties and responsibilities of those offices and codes, rules and regulations for the public health, safety and welfare. The commission shall by ordinance provide for sufficient revenue to operate city government and shall appropriate such funds in a budget which shall provide for the orderly management of the city's resources. The commission shall promulgate procedures to insure orderly administration of the functions of city government and compliance with statute, ordinance or order.

SECTION 15. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) The form of government provided in this section shall be known as the city manager plan and this section shall together with Sections 1 through 12 of this Act govern any city declared to be under the city manager plan by Section 2 of this Act or which has adopted the city manager plan pursuant to Section 16 of this Act.

(2) Each city under this section shall be governed by an elected officer who shall be called mayor and by elected legislative body members who shall be called city commissioners and which together shall be known as the board of commissioners and by such other officers and employes as may be provided for by [illegible] dinance.

[illegible] legislative and executive authority of the city shall be vested in and exercised by the board. [illegible] mayor shall preside at all meetings of the board and may vote in all proceedings. The mayor shall be recognized as the head of the city government by the governor for purposes of military law, but shall have no regular administrative duties. The board shall designate one city commissioner to serve as mayor pro-tem. The mayor pro-tem shall act for the mayor whenever the mayor is unable to attend to the duties of his office and he shall then possess all rights, powers and duties of mayor. If the disability of the mayor to attend his duties continues for sixty (60) consecutive days, the office of mayor may be declared vacant by a majority vote of the board membership and the provisions of Section 4 of this Act shall apply.

(4) Regular meetings of the board shall be held at least once each month at such times and places as are fixed by ordinance. Special meetings of the board may be called by the mayor or upon written request of two (2) city commissioners. In the call, the mayor or commissioners shall designate the purpose, time and place of the special meeting with sufficient notice for the attendance of board members and for compliance with KRS Chapter 61. At a special meeting no business shall be considered other than that set forth in the designation of purpose. The minutes of every meeting shall be signed by the person responsible for maintaining city records provided under Section 6 of this Act and the officer presiding at the meeting.

(5) The board shall by ordinance establish all appointive offices and the duties and responsibilities of those offices and codes, rules and regulations for the public health, safety and welfare. The board shall by ordinance provide for sufficient revenue to operate city government and shall appropriate the funds of a city budget which shall provide for the orderly management of city resources.

(6) The board may require any city officer or employe to prepare and submit to it sworn statements regarding his performance of his official duties and may otherwise inquire into the conduct of duties of any department, office, or agency of the city.

(7) The board shall in accordance with Section 8 of this Act create the office of city manager and set qualifications for the office, which shall include, but not be limited to professional training or administrative qualifications with special reference to actual experience in or knowledge of accepted practice regarding duties of the office and list duties and responsibilities of the office which shall include, but not be limited to:

(a) Being responsible to the board for the proper administration of all duties imposed upon him by ordinance;

(b) Recommending to the board, subject to any statute, ordinance or contract which relates to the appointment, tenure or removal of any employe, the appointment, and when necessary for the good of the service, the removal of subordinate employes and officers of the city. No officer or employe of the city shall be appointed or removed except through action by the board, except that the city manager may fill vacancies in the classified service pending the appointment by the board and may employ personnel for temporary positions subject to such conditions as may be imposed by the board;

(c) Preparing the budget and submitting it to the board and being responsible for its administration after adoption;

(d) Preparing and submitting to the board as of the end of each fiscal year a complete report on the finances and administrative activities of the city for the preceding year;

(e) Keeping the board advised of the financial condition and future needs of the city and making recommendations as he deems desirable;

(f) Maintaining liaison with related units of local government respecting interlocal contracting and joint activities;

(g) Supervising all departments of city government and the conduct of all city officers and employes under his jurisdiction and requiring each department to make reports to him required by ordinance or as he deems desirable; and

(h) Performing other duties required of city executive authorities by statute or required of him by the board not inconsistent with this section.

(8) The board shall appoint a city manager by a majority vote of all its members. The city manager shall be appointed for an indefinite term and may be removed only by a majority vote of all board members. At least thirty (30) days before such removal shall become effective the board shall by a majority vote of all its members adopt a preliminary resolution stating the reasons for his removal. The city manager may reply in writing and may request a public hearing which shall be held not earlier than twenty (20) days nor later than thirty (30) days after the filing of the request. After the public hearing, if requested, and after full consideration, the board by majority vote of all its members may adopt a final resolution of removal. By the preliminary resolution the board may suspend the city manager from duty, but shall in any event cause to be paid to him any unpaid balance of his compensation and compensation for the next calendar month following adoption of the preliminary resolution.

(9) The city manager shall be the chief administrative officer and exercise those executive powers and duties delegated to him by ordinance and statute. He shall enforce the city manager plan, city ordinances and all applicable statutes. Subject to approval of the board, the city manager shall promulgate procedures to insure orderly administration of the functions of city government and compliance with statute or ordinance. Any delegation of the city manager's duties or responsibilities to subordinate officers and employes shall be made by municipal order except that all bonds, notes, contracts and written obligations of the city according to ordinance or resolution shall be made and executed by the mayor on behalf of the city.

SECTION 16. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) Any city may become organized and governed under the mayor-council plan, the commission plan or the city manager plan only by popular vote in accordance with Section 12 of this Act.

(2) If a majority of the votes cast are in favor of changing the organization and government of the city, the corporate entity of the city shall remain the same as it was before the change. All laws applicable to and governing cities and not inconsistent with the newly adopted plan shall continue to apply to and govern each city that so changes its plan. All city ordinances, resolutions and orders in force in any such city and not inconsistent with the newly adopted plan shall continue in force until amended or repealed in the manner provided in the new plan.

(3) Upon the expiration of the terms of the existing legislative body members, or if terms are staggered, when the terms of a sufficient number of members have expired to achieve a correct number of members remaining, or upon election of a sufficient number of additional members at the next regular election to achieve a correct number of members, the city shall be organized and governed under the newly adopted plan as provided in this chapter and shall take action necessary to be in compliance with this chapter. In no event shall a city not be in compliance two (2) years after the adoption of the new plan by the voters.

(4) Failure on the part of any ministerial officer to perform the duties required of him by this section shall not prevent the change of the plan of organization and government of the city.

(5) No city which changes the plan under which it is organized and governed under this section shall again change the plan sooner than five (5) years from the effective date of the last change.

SECTION 17. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

(1) In any city which has under the provisions of Section 5 of this Act required nonpartisan city elections, or in any city of the second class operating under the city manager form of government pursuant to Section 15 of this Act, no person shall be elected to city office except as provided in this section.

(2) No person shall be elected to city office without being nominated in the manner provided in this section at a nonpartisan primary election to be held at the time prescribed by law for primary elections generally. Nonpartisan primary elections shall be conducted by the same officers, chosen and acting in the same manner, with the same rights and duties as in regular elections.

(3) Each applicant for nomination shall, at least fifty-five (55) days before the primary election, file with the county clerk a petition signed by at least one percent (1%) of the registered voters in the city or twenty (20) voters, whichever is less, in the following form:

"We the undersigned, qualified voters of the City of ______________ request that the name of ______________ be placed on the city ballot as that of an applicant for nomination for the office of ______________ at the primary election to be held in our city on the first Tuesday after the fourth Monday in May, ________. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of the office.

Name	Number	Street
____________	____________	____________
____________	____________	____________"
____________	____________	____________

The petition shall be verified by the affidavit of some person as to the genuineness of signatures and addresses of the signers. No voter shall sign more than one (1) petition with reference to each applicant. If any voter signs more than one (1) petition of an applicant, the name of that voter shall not be counted as valid on any petition.

(4) Immediately upon expiration of the time for filing petitions, the county clerk shall have published in accordance with KRS Chapter 424 the names of the applicants as they will appear upon the primary ballot.

(5) Subsection (4) of this section shall not apply if it appears, immediately upon expiration of the time for filing petitions, that there are not more than two (2) applicants for nomination for each city office to be filled. In that case, the applicants for nomination shall thereby be nominated and no primary election shall be held for that office.

(6) Names of applicants for each nomination shall be placed on the city ballot. Above names of applicants for nomination for all city offices shall be printed the words "vote for one", except above names of applicants for nominations for legislative body member in cities nominating legislative body members at-large shall be printed the words "vote for __________ (the number of legislative body members to be elected)." No party designation or emblem of any kind, nor any sign indicating any applicant's political belief or party affiliation shall be used.

(7) Persons qualified to vote at a regular election are qualified to vote at a nonpartisan primary election and the law applicable to challenges made at a regular election is applicable to challenges made at a nonpartisan primary election.

(8) Votes shall be counted as provided in general election laws and the result shall be published as provided in KRS Chapter 424.

(9) The two (2) applicants receiving the highest number of votes for nomination for each city office shall be nominated.

(10) At the regular election following a nonpartisan primary election, the names of the successful nominees shall be placed upon the ballot.

(11) The nominee receiving the greater number of votes cast for each city office shall be elected.

(12) General election law prescribing duties of county clerks and other public officers in the conduct of elections shall be applicable in all respects to nonpartisan city elections, except no election officer or other person within a polling place shall tell or indicate to a voter, by word of mouth or otherwise, the political affiliation of any candidate for city office.

Section 18. KRS 117.345 is amended to read as follows:

(1) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county treasurer except as otherwise provided by law. [In any election when candidates for city office are voted upon, the city shall bear its proportionate share of the cost of the election.]

(2) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, and within sixty (60) days following the date of the election, the county treasurer shall certify the amount of such expenses, indicating each item of expense separately, together with a statement of the number of precincts in the county, the date and kind of election to the state board of elections. The certification shall be filed within ninety (90) days after the election. Upon receipt of the certification and upon being satisfied as to the correctness thereof, the state board of elections shall issue its warrant upon the state treasurer in favor of the county treasurer for the amount of eighty-five dollars ($85.00) for each precinct in the county. All sums paid under this section shall be in addition to any sum paid by the state for ballot paper in elections.

(3) Payments to any county under the provisions of subsection (2) of this section shall be terminated if and whenever it fails to renew a lease, contract, or lease and option with the state property and buildings commission executed in connection with the acquisition of voting machines by the commission for the use of such county; and payments to any county shall be terminated whenever such county fails to pay any part of the rentals required for any effective period of the lease.

SECTION 19. The following KRS Sections are repealed:

64.580 Compensation of city officers and employes.
82.070 Councilmen's compensation.
82.075 Mayor's compensation in cities of 15,000 or more.
82.080 Adoption of codes and revisions of ordinances by reference.
83.450 Board of aldermen — Election — Term — Qualifications — Oath — Privileges — Compensation — Vacancies.
83.490 Journal of board of aldermen — City documents to be public records.
83.510 Compilation of ordinances.
83.540 Mayor — Election — Term — Qualifications.
83.550 Vacancy in the office of mayor — Mayor pro tem — Election to fill unexpired term.
83.620 City officers — Elective — Qualifications — Terms — Compensation — Bond.
83.630 Determination of conflicts between executive departments.
83.640 Money paid to officers and employes of executive departments, report and accounting of.
83.650 Statement and returns of fees, directors may require.
83.670 Adoption of city manager form by city of first class — Application for election.
83.680 Form of government in city of second class not altered by reclassification.
83.690 City of first class organized under city manager form of government excluded from certain provisions.
84.020 Separation of powers.
84.030 Legislative branch — General council.
84.040 Wards, how established and altered.
84.050 Members of general council — Terms — Qualifications — Privileges.
84.060 Officers of general council — Eligibility, discipline and expulsion of members.
84.070 Quorum and meetings of board of aldermen and board of councilmen.
84.080 Joint sessions of board of aldermen and board of councilmen.
84.090 Journals of board of aldermen and board of councilmen.
84.100 Ordinances, how passed — Amendment — Reenactment, veto — Publication.
84.110 Compilation of ordinances.
84.130 Recording of ordinances after passage — Use in evidence.
84.140 Validity of ordinances, how tested.
84.350 Election of city officers — Time of taking office — Qualifications of voters.
84.360 Annual statements of executive and ministerial officers to mayor.
84.370 Removal of executive, ministerial and judicial officers — Additional powers of board.
84.990 Penalties.

85.030 Separation of powers.
85.040 Legislative branch — Common council.
85.050 Wards, how established and altered.
85.060 Members of common council — Terms — Qualifications.
85.070 Eligibility, discipline and expulsion of members — Interested member not to vote.
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The Committee Amendment No. 1 to **SB 26** is as follows:

Amend printed copy of **SB 26,** page 40, line 11 as follows:

After the period on line 11, beginning on line 12 insert the following new section:

Section 19. KRS 99.360 is amended to read as follows:

Each agency created for the purpose of KRS 99.330 to 99.510 shall constitute a public body, corporate and politic, exercising public and essential governmental functions, and shall have the following powers in addition to the others granted:

(a) To sue and be sued; to have a seal; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers;

(b) To make, and from time to time amend and repeal bylaws, rules and regulations not inconsistent with KRS 99.330 to 99.510 to carry into effect the powers and purposes thereof;

(c) To select and appoint such officers, agents, counsel and employes, permanent and temporary, as it may require, and determine their qualifications, duties and compensation, subject, however, to the provision of its budget;

(d) Within its area of operation, for purposes of redevelopment within the development area, to purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise or otherwise, any real or personal property, or any interest therein, together with any improvements thereon; to acquire by the exercise of the power of eminent domain any real property; to clear any and all buildings, structures or other improvements from any real property so acquired and to dispose of any personal property resulting therefrom; to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber (by mortgage, deed of trust or otherwise), or otherwise to dispose of any real or personal property or any interest therein at its fair value for uses in accordance with the development plan, irrespective of the cost of acquiring and preparing real property for redevelopment; to insure or provide for the insurance of any real or personal property or operation of the agency against risks or hazards; and pursuant to the provisions of KRS 99.450 to rent, maintain, manage, operate, and repair such real property;

(e) To borrow from and to accept loans and grants from the federal government or any agency thereof, or from any sources, public or private, for the purposes of KRS 99.330 to 99.510, and to pledge such security as may be required; an agency, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government any conditions which the federal government may attach to its financial aid of a redevelopment project, not inconsistent with the purposes of KRS 99.330 to 99.510;

(f) Within its area of operation, to develop as a building site or sites, any real property owned or acquired by it, and in this connection to cause streets and highways to be laid out and graded, and pavements or other road surfacing, sidewalks and curbs, and public utilities of every kind to be constructed and installed, or to close any streets according to the development plan;

(g) Within its area of operation, to prepare from time to time plans for the improvement or rehabilitation of slum and blighted areas; to make, periodically, investigations and surveys pertaining to slum clearance and urban redevelopment;

(h) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be canceled;

(i) To obligate lessees or purchasers of land acquired in a redevelopment project: To use such land for the purpose designated in the development plan; to begin the building of specified improvements within a period of time which the agency fixes as reasonable; and to comply with such other conditions as in the opinion of the agency are necessary to carry out the purposes of KRS 99.330 to 99.510; the agency, by provision in the contract, deed or lease may make any of the purchaser's obligations covenants or conditions running with the land, whose breach shall cause the fee to revert to the agency; and

(j) To exercise all or any part or combination of the powers herein granted.

(k) To expend public funds for the rehabilitation of private property within the agency's area of operation through loans or grants to the owners or occupants of such property.

(2) Nothing contained in this section shall authorize such agency to construct any of the buildings for residential, commercial, industrial or other use contemplated by the development plan.;

and on page 40, line 12, change the figure "19" to the figure "20".

The Committee on Energy reported **HB 838** with Committee Amendment attached thereto, **HCR 78, HB 468** with Committee Amendment attached thereto, **HCR 78, HB 468** with Committee Substitute attached thereto, and **HB 490** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 838, AN ACT relating to gasohol production.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

It is declared to be in the interest of the public welfare that Kentucky farmers who are producers of grain which may be fermented to produce ethanol to be mixed with gasoline to make the fuel known as gasohol shall be permitted and encouraged to act jointly and in cooperation with all producers, handlers, dealers, and processors of grain in promoting and stimulating, by research, market development, and education, the increased production, use and sale, domestic and foreign, of grain for the aforementioned purpose of gasohol production.

SECTION 2. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

For purposes of this Act:

(1) "Alcohol production facility" shall mean and include any property or any facility which is not fueled by petroleum but fueled by Kentucky coal, or in the process of converting to the use of coal, and designed, installed, or constructed as a component part of any commercial or industrial premises for the primary purpose of producing ethanol derived from agricultural products or by-products for use as a motor fuel;

(2) "Gasohol" means a fuel containing a mixture of gasoline and at least ten percent (10%) ethanol which is at least one hundred ninety-eight (198) degrees Fahrenheit for use in motor vehicles;

(3) "Department" shall mean the Kentucky department of energy;

(4) "Alcohol production tax exemption certificate" shall mean that certificate issued by the department of revenue pursuant to Section 3 of this Act;

(5) "Ethanol" means ethyl alcohol produced from grain or other agricultural products or by-products for use as a motor fuel.

SECTION 3. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

(1) Application for an alcohol production exemption certificate shall be filed with the department of revenue in such manner and in such form as may be prescribed by regulations issued by the department of revenue and shall contain plans and specifications of the structure or structures including all materials incorporated and to be incorporated therein and a descriptive list of all equipment acquired or to be acquired by the applicant for the purpose of producing ethanol for fuel use and any additional information deemed necessary by the department of revenue for the proper administration of this Act. The department shall provide technical assistance and factual information as requested in writing by the department of revenue. If the department of revenue finds that the facility qualifies as an alcohol production facility as defined by this Act, it shall enter a finding and issue a certificate to that effect. The effective date of said certificate shall be the date of issuance of said certificate.

(2) Before issuing an alcohol production tax exemption certificate, the department of revenue shall give notice in writing by mail to the secretary of the department, and shall afford to the applicant and to the secretary of the department an opportunity for a hearing. On like notice and opportunity for a hearing, the department of revenue shall on its own initiative revoke such certificate whenever any of the following appears:

(a) The certificate was obtained by fraud or misrepresentation;

(b) The holder of the certificate has failed substantially to proceed with the construction, reconstruction, installation, or acquisition of the alcohol production facilities;

(c) The structure or equipment or both to which the certificate relates has ceased to be used for the primary purpose of alcohol production for fuel use and is being used for different purpose.

(3) Where the circumstances so require, the department of revenue, in lieu of revoking such certificate, may modify the same.

(4) On mailing of notice of the action of the department of revenue revoking or modifying a certificate as provided in subsection (5) of this section, such certificate shall cease to be in force or shall remain in force only as modified as the case may require.

(5) An alcohol production tax exemption certificate, when issued, shall be sent by certified mail to the applicant and the notice of such issuance in the form of certified copies thereof shall be sent to the secretary of the department. Notice of an order of the department of revenue denying, revoking, or modifying a certificate in the form of certified copies thereof shall be sent by certified mail to the applicant or the holder and shall be sent to the secretary of the department. The applicant or holder and the secretary of the department are deemed parties for the purpose of the review afforded by subsection (6) of this section.

(6) Any party aggrieved by the issuance, refusal to issue, revocation, or modification of an alcohol production tax exemption certificate may appeal from the final ruling of the department of revenue to the Kentucky board of tax appeals as provided in KRS 131.340.

(7) In the event of the sale, lease, or other transfer of an alcohol production facility, not involving a different location or use, the holder of an alcohol production tax exemption certificate for such facility may transfer the certificate by written instrument to the person who, except for the transfer of the certificate, would be obligated to pay taxes on such facility. The transferee shall become the holder of the certificate and shall have all rights pertaining thereto, effective as of the date of transfer of the certificate, whichever is earlier. The transferee shall give written notice of the effective date of the transfer, together with a copy of the instrument of transfer to the department and the department of revenue.

(8) In the event an alcohol production facility for which an exemption certificate is held ceases to be used for the primary purpose of alcohol production for fuel use or is used for a different purpose other than that for which the exemption certificate was granted, the holder of the certificate shall give written notice by certified mail of such change to the department and to the department of revenue.

(9) The alcohol production facility exemption certificate, upon approval, shall exempt said facilities from taxes outlined in the provisions of this Act and included in KRS chapters 132, 136, 138, and 139. Each exemption certificate shall remain in force for a period of eight (8) years from the date of issuance and at the end of said period shall lapse. Any alcohol production facility previously exempted under the terms of this Act shall not be eligible for re-certification upon completion of the six (6) year certificate period.

Section 4. KRS 139.480 is amended to read as follows:

Any other provision of this chapter to the contrary notwithstanding, the terms "sale at retail," "retail sale," "use," "storage," and "consumption," as used in this chapter do not include the sale, use, storage, or other consumption of:

(1) Locomotives or rolling stock, including materials for the construction, repair, or modification thereof, or fuel or supplies for the direct operation of locomotives and trains, used or to be used in interstate commerce;

(2) Coal for the manufacture of electricity;

(3) All energy or energy-producing fuels used in the course of manufacturing, processing, mining, or refining to the extent that the cost of the energy or energy-producing fuels used exceeds three per cent (3%) of the cost of production. Cost of production shall be computed on the basis of plant facilities which shall mean all permanent structures affixed to real property at one (1) location;

(4) Livestock of a kind the products of which ordinarily constitute food for human consumption provided the sales are made for breeding or dairy purposes and by or to a person regularly engaged in the business of farming;

(5) Poultry for use in breeding or egg production;

(6) Farm work stock for use in farming operations;

(7) Seeds, the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business, feed for livestock or poultry of a kind the products of which ordinarily constitute food for human consumption, and commercial fertilizer to be applied on land the products from which are to be used for food for human consumption or are to be sold in the regular course of business; Provided such sales are made to farmers who are regularly engaged in the occupation of tilling and cultivating the soil for the production of crops as a business, or who are regularly engaged in the occupation of raising and feeding livestock or poultry or producing milk for sale; and provided further that such tangible personal property so sold is to be used only by those persons designated above who are so purchasing;

(8) Machinery for new and expanded industry;

(9) Farm machinery. As used in this section the term "farm machinery" means machinery used exclusively and directly in the occupation of tilling the soil for the production of crops as a business, or in the occupation of raising and feeding livestock or poultry or of producing milk for sale. The term "farm machinery" as used in this section includes machinery, attachments, and replacements therefor, repair parts,

and replacement parts which are used or manufactured for use on, or in the operation of farm machinery and which are necessary to the operation of such machinery, and are customarily so used; but this exemption shall not include automobiles, trucks, trailers, and truck-trailer combinations;

(10) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(11) Tombstones and other memorial grave markers; and

(12) On-farm facilities used exclusively for grain or soybean storing, drying, processing, or handling. The exemption applies to the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of such facilities;

(13) Gasoline, special fuels, and liquefied petroleum gas used to operate or propel stationary engines or tractors for agricultural purposes. As used in this subsection:

(a) "Gasoline" is defined as in KRS 138.210(4);

(b) "Special fuels" is defined as in KRS 138.560(3);

(c) "Liquefied petroleum gas" is defined as in KRS 234.100(1); and

(d) "Agricultural purposes" is defined as in KRS 138.343(4);

(14) Textbooks, including related workbooks and other course materials, purchased for use in a course of study conducted by an institution which qualifies as a nonprofit educational institution under KRS 139.495. The term "course materials" means only those items specifically required of all students for a particular course but does not include notebooks, paper, pencils, calculators, tape recorders, or similar student aids;

(15) Any property which has been certified as an alcohol production facility as defined in Section 2 of this Act.

Section 5. KRS 136.070 is amended to read as follows:

(1) Every corporation organized under the laws of this state, every corporation having its commercial domicile in this state, and every foreign corporation owning or leasing property located in this state or having one or more individuals receiving compensation in this state, except state and national banks and trust companies, savings and loan associations organized under the laws of this state and under the laws of the United States and making loans to members only, production credit associations, insurance companies, including farmers' or other mutual hail, cyclone, windstorm or fire insurance companies, insurers and reciprocal underwriters, public service companies subject to taxation under KRS 136.120, those corporations exempted by section 501 of the Internal Revenue Code, *any property or facility which has been certified as an alcohol production facility as defined in Section 2 of this Act,* and any other religious, educational, charitable or like corporations not organized or conducted for pecuniary profit, shall pay to the state an annual license tax of seventy cents on each one thousand dollars of the capital employed in the business as computed under the provisions of subsections (2) and (3) of this section.

(2) (a) The term "capital" as used in this section means capital stock, surplus, advances by affiliated companies, intercompany accounts, borrowed monies or any other accounts representing additional capital used and employed in the business. Accounts properly defined as "capital" in this section shall be reported at the value reflected on financial statements prepared for book purposes as of the last day of the calendar or fiscal year.

(b) "Capital employed," in the case of corporations having property or payroll only in this state, means "capital" as defined above.

(c) "Capital employed," in the case of corporations having property or payroll both within and without this state means "capital" as defined above and as apportioned under subsection (3) of this section.

(d) Property means either real property or tangible personal property which is either owned or leased. Payroll means compensation, paid to one or more individuals, as described in subsection (3) of this section. Property and pay roll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction.

(3) The total capital, as determined under subsection (2) of this section, shall be apportioned as follows:

(a) The total capital shall be multiplied by a fraction, the numerator of which is the property factor plus the payroll factor, plus the sales factor, and the denominator of which is three (3).

(b) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period; provided, however, that property which has been certified as a pollution control facility as defined in KRS 224.850 shall be excluded from the property factor.

1. Property owned by the taxpayer is valued at its original cost. If the original cost of any property is not determinable or is nominal or zero such property shall be valued by the department under regulations promulgated by the department. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals, provided that such rental and such subrentals are reasonable. If the department determines that the annual rental or subrental rate is unreasonable, or if nominal or zero

rate is charged, the department may determine and apply such rental rate as will reasonably reflect the value of the property rented by the taxpayer.

2. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the department may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

(c) The payroll factor is a fraction, the numerator of which is the total amount paid or payable in this state during the tax period by the taxpayer for compensation, and the denominator of which is the total compensation paid or payable everywhere during the tax period. Compensation is paid or payable in this state if:

1. The individual's service is performed entirely within the state; or

2. The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or

3. Some of the service is performed in the state and the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(d) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period. Sales of tangible personal property are in this state if:

1. The property is delivered or shipped to a purchaser, other than the United States government, or to the designee of the purchaser within this state regardless of the f.o.b. point or other conditions of the sale; or

2. The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and the purchaser is the United States government.

3. Sales, other than sales of tangible personal property, are in this state if the income-producing activity is performed in this state; or the income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(4) If the apportionment provisions of this section do not fairly measure the taxpayer's capital in this state, the taxpayer may petition for or the department may require:

(a) The exclusion of any one or more of the factors;

(b) The inclusion of one or more additional factors which will fairly measure the taxpayer's capital in this state; or

(c) The employment of any other method to produce an equitable apportionment of the taxpayer's capital.

(5) No corporation required to pay an annual license tax under this section shall pay less than ten dollars.

Section 6. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (31-½¢) upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (25¢) upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen cents (15c) upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen cents (15¢) upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (15c) upon property which has been certified as a pollution control facility as defined in KRS 224.850, *one-tenth of one cent ($.001) upon property which has been certified as an alcohol production facility as defined in Section 2 of this Act,* and forty-five cents (45¢) upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half cents (1 ½¢) upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, as defined in KRS 141.205(3), and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value.

(6) Thirty cents (30¢) of the thirty-one and one-half cents (31 ½¢) state tax rate on real property and thirty cents (30¢) of the forty-five cents (45¢) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (30¢), as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By July 1 each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the department shall, when real property assessments equaling at least seventy-five percent (75%) of the estimated total value of the real property assessments have been certified, make an estimate of the uncertified amount and compute the state tax rate.

Section 7. KRS 132.200 is amended to read as follows:

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school or other taxing district in which it has a taxable situs, except the classes of property described in KRS 132.030 and 132.050, and the following classes of property, which shall be subject to taxation for state purposes only:

(1) Farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operation;

(2) Livestock and domestic fowls;

(3) Capital stock of savings and loan associations;

(4) Machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture. Individuals or corporations actually engaged in the printing, publication and distribution of a newspaper or operating a job printing plant shall be deemed to be actually engaged in manufacturing;

(5) Commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna; however, radio or television towers not essential to the production of the wave or signal broadcast shall not be included;

(6) Unmanufactured agricultural products (except that the same shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by the United States government or any agency thereof), and except that cities and counties may each impose an ad valorem tax of not exceeding one and one-half cents (1 ½¢) on each $100 of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents (4 ½¢) on each $100 of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands

of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;

(7) Money in hand, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, and shares of stock, except that nothing in this section shall forbid local taxation of franchises of corporations or of the shares of banks, trust companies or combined banks and trust companies doing business in this state, or domestic life insurance companies;

(8) All privately-owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103;

(9) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(10) *Property which has been certified as an alcohol production facility as defined in Section 2 of this Act;*

(11) On and after January 1, 1977, unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests;

(12)[(11)] On and after January 1, 1977, the assessed value of unmined coal shall be included in the formula contained in KRS 132.590(2) in determining the amount of county appropriation to the office of the property valuation administrator.

The Committee Amendment No. 1 to **HB 838** is as follows:

Amend printed copy of **HB 838** page 2, line 6, by deleting the words "degrees Farenheit" on line 6 and substituting in lieu thereof the following: proof;

Page 6, line 7, by deleting the word "six (6)" and substituting in lieu thereof the following: eight (8);

On Page 1, line 20, by deleting the comma after the word coal and inserting in lieu thereof the following words: "*with the completion date to be in two (2) years or less,*".

HCR 78, A CONCURRENT RESOLUTION directing the Legislative Research Commission to conduct a study of the use of imported coal by Kentucky power generation plants.

WHEREAS, the mining of coal is a major economic activity contributing much to the industrial base of Kentucky; and

WHEREAS, the more Kentucky coal that is used the greater the economic benefit to the Commonwealth; and

WHEREAS, 95% of electricity generated in Kentucky is produced by coal burning power plants; and

WHEREAS, it is understood that some of the coal burned in Kentucky power plants is imported from other states; and

WHEREAS, it is desirous that the reason for importing coal into Kentucky be known;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission is directed to conduct a study of the use of imported (out of state) coal by Kentucky electrical generating plants. Specifically, the study shall identify the amount of out of state coal being used and the reasons for its use by utilities.

Section 2. The study with any recommendations shall be reported to the appropriate committees no later than September 1, 1980.

Section 3. Staff services to be utilized in completing this study are estimated to cost $5,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other responsibilities of the commission.

HB 468, AN ACT relating to the board of energy research.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 152.760 is amended to read as follows:

(1) The board of energy research may, if any energy developmental or demonstration project undertaken by the Kentucky department of energy pursuant to KRS 152.750 is deemed economically feasible by the board, request the state property and buildings commission to issue revenue bonds as authorized by KRS Chapters 56 or 58 to meet monetary commitments under any contract executed by the Kentucky department of energy, with the approval of the board, for the construction or acquisition of such project.

(2) The board of energy research shall request the state property and buildings commission to issue revenue bonds to total thirty million dollars ($30,000,000) as authorized by KRS Chapters 56 or 58 to meet monetary commitments under any contract executed by the board pursuant to this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The board of energy research shall make available thirty million dollars ($30,000,000) to Kentucky industries for the purpose of the installation of coal fired boilers under the following conditions:

(1) The plans for installation of the coal fired boiler are determined to be technically and economically feasible by the board.

(2) The rate of interest on the funds provided to Kentucky industries shall be one percent (1%) greater than the rate at which the revenue bonds are issued pursuant to KRS 152.760 (2).

(3) Repayment of funds issued shall be ten (10) years from date of possession of said funds by the recipient Kentucky industry.

The Committee Substitute to **HB 468** is as follows:

HB 468, AN ACT relating to the board of energy research.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

It shall be the policy of the Commonwealth to assist Kentucky industries in the conversion of their facilities currently using oil and gas as the boiler energy source to the use of coal as the boiler energy source. The Kentucky development finance authority is directed to implement this policy of the Commonwealth by providing assistance to Kentucky industries.

HB 490, AN ACT relating to telephone cooperative associations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 279.310 is amended to read as follows:

As used in KRS 279.310 to 279.600, unless the context requires otherwise:

(1) "Cooperative" means any corporation organized under KRS 279.310 to 279.600 or which becomes subject to those sections in the manner provided therein.

(2) "Person" means any natural person, firm, association, corporation, business trust or partnership.

(3) "Telephone service" *shall include in its meaning any telecommunication service for the transmission of voice, data, sounds, signals, pictures, writing, or signs of all kinds by wire, radio, light, or other electromagnetic systems, and shall include all lines, facilities, or systems used in the rendition of such service, including community antenna and cable television facilities; but shall not include in its meaning message telegram service, or radio broadcasting services or facilities within the meaning of Section 153(o) of the Federal Communications Act of 1934, as amended* [means any communication service whereby voice communication through the use of electricity is the principal intended use thereof, and shall include all telephone lines, facilities or systems used in the rendition of such service].

(4) "Acquire" means to construct, purchase, obtain by lease, devise, gift or by eminent domain, or to obtain by any other lawful means.

(5) "Board" means the board of trustees of a corporation formed under KRS 279.310 to 279.600.

(6) "Federal agency" means and includes the United States, the president of the United States, and all federal authorities, instrumentalities and agencies in the ordinary sense.

(7) "Improve" means to construct, reconstruct, extend, enlarge, alter, better or repair.

(8) "Member" means and includes each person signing the articles of incorporation of a corporation formed under KRS 279.310 to 279.600, each person later admitted to membership according to law or according to the articles of incorporation or bylaws of the corporation, and each common stockholder in a corporation, having capital stock, organized under KRS 279.310 to 279.600.

(9) "Obligations" means and includes negotiable bonds, notes, debentures, interim certificates or receipts and all other evidences of indebtedness either issued or the payment thereof assumed by a corporation organized under KRS 279.310 to 279.600.

(10) "System" means and includes any plant, works, facilities and properties, and all parts thereof and appurtenances thereto, used or useful in the operation and maintenance of telephone communication service.

(11) "Rural area" shall be deemed to mean any area of this state not included within the boundaries of any incorporated or unincorporated city, village or borough having a population in excess of fifteen hundred (1,500) inhabitants.

(12) "Telephone company" means any natural person, firm, association, corporation or partnership owning, leasing or operating any line, facility or system used in the furnishing of telephone service within this state.

The Committee Substitute to **HB 490** is as follows:

HB 490, AN ACT relating to telephone cooperative associations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 279.310 is amended to read as follows:

As used in KRS 279.310 to 279.600, unless the context requires otherwise:

(1) "Cooperative" means any corporation organized under KRS 279.310 to 279.600 or which becomes subject to those sections in the manner provided therein.

(2) "Person" means any natural person, firm, association, corporation, business trust or partnership.

(3) *As used in this chapter, the term "telephone service" shall include in its meaning communications services of all kinds allowed to any other telephone utility, authorized by regulatory agency and with some unregulated, that being the transmission of voice, data, sounds, signals, pictures, writing, or signs of all kinds, by use of wire, radio, light, electro-magnetic impulse, broadband (wideband) spectrum, or any other transmission mode and facility used in rendition of such services; but shall not include in their meaning message telegram service, or radio broadcasting services or facilities within the meaning of section 153 (O) of the federal communications act of 1934, as amended* ["Telephone service" means any communication service whereby voice communication through the use of electricity is the principal intended use thereof, and shall include all telephone lines, facilities or systems used in the rendition of such service].

(4) "Acquire" means to construct, purchase, obtain by lease, devise, gift or by eminent domain, or to obtain by any other lawful means.

(5) "Board" means the board of trustees of a corporation formed under KRS 279.310 to 279.600.

(6) "Federal agency" means and includes the United States, the president of the United States, and all federal authorities, instrumentalities and agencies in the ordinary sense.

(7) "Improve" means to construct, reconstruct, extend, enlarge, alter, better or repair.

(8) "Member" means and includes each person signing the articles of incorporation of a corporation formed under KRS 279.310 to 279.600, each person later admitted to membership according to law or according to the articles of incorporation or bylaws of the corporation, and each common stockholder in a corporation, having capital stock, organized under KRS 279.310 to 279.600.

(9) "Obligations" means and includes negotiable bonds, notes, debentures, interim certificates or receipts and all other evidences of indebtedness either issued or the payment thereof assumed by a corporation organized under KRS 279.310 to 279.600.

(10) "System" means and includes any plant, works, facilities and properties, and all parts thereof and appurtenances thereto, used or useful in the operation and maintenance of telephone communication service.

(11) "Rural area" shall be deemed to mean any area of this state not included within the boundaries of any incorporated or unincorporated city, village or borough having a population in excess of fifteen hundred (1,500) inhabitants.

(12) "Telephone company" means any natural person, firm, association, corporation or partnership owning, leasing or operating any line, facility or system used in the furnishing of telephone service within this state.

The Committee on Judiciary reported **HB 66** with Committee Substitute attached thereto, and **HB 328** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 66, AN ACT relating to traffic offenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 431.015 is amended to read as follows:

(1) A peace officer may issue a citation instead of making an arrest for a misdemeanor or violation committed in his presence, if there are reasonable grounds to believe that the person being cited will appear to answer the charge. The citation shall provide that the defendant shall appear within a designated time.

(2) *A peace officer shall issue a citation instead of making a physical arrest for traffic or overweight violations involving operators of commerical vehicles as defined in KRS 186.010(11). The operator must be engaged in his occupation at the time the violation occurs. Physical arrest shall be made for violations of KRS 189.393, 189.520 and 189.580.*

(3) If the defendant fails to appear in response to the citation, or if there are reasonable grounds to believe that he will not appear, a complaint may be made before a judge and a warrant shall issue.

(4)[(3)] When a physical arrest is made and a citation is issued in relation to the same offense the officer shall mark on the citation, in the place specified for court appearance date, the word "ARRESTED" in lieu of the date of court appearance.

The Committee Substitute to **HB 66** is as follows:

HB 66, AN ACT relating to traffic offenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 431.015 is amended to read as follows:

(1) A peace officer *shall* [may] issue a citation instead of making an arrest for a misdemeanor or violation committed in his presence, if there are reasonable grounds to believe that the person being cited will appear to answer the charge. The citation shall provide that the defendant shall appear within a designated time.

(2) *A peace officer shall issue a citation instead of making a physical arrest for traffic or overweight violations involving operators of commercial vehicles as defined in KRS 186.010(11), if there are reasonable grounds to believe that the person being cited will appear to answer the charge. The citation shall provide that the defendant shall appear within a designated time. The operator must be engaged in his occupation at the time the violation occurs. Physical arrest shall be made for violations of KRS 189.393, 189.520 and 189.580.*

(3) If the defendant fails to appear in response to the citation, or if there are reasonable grounds to believe that he will not appear, a complaint may be made before a judge and a warrant shall issue.

(4)[(3)] When a physical arrest is made and a citation is issued in relation to the same offense the officer shall mark on the citation, in the place specified for court appearance date, the word "ARRESTED" in lieu of the date of court appearance.

HB 328, AN ACT relating to the construction of mineral deeds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

The purposes of this Act are as follows:

(1) To facilitate and require the demonstration of a clear understanding between the owners of surface and mineral estates in land concerning their respective rights to use and occupy or injure the surface of the land;

(2) To protect the security of titles to land and improvements thereto;

(3) To promote the free alienability of land;

(4) To prevent hardship and injustice to surface or mineral owners arising from uncertainty of the law;

(5) To promote the conservation and the full and efficient use of all natural resources of the state, including the land, the making of improvements to the land, the growth of agriculture, the development of new industry and the general economic well-being of the state and its people;

(6) To codify a rule of construction for mineral deeds relating to coal extraction so as to implement the intention of the parties at the time the instrument was created; and

(7) To foster certainty and uniformity in the operation of the law.

SECTION 2. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

In any instrument heretofore or hereafter executed purporting to sever the surface and mineral estates or to grant a mineral estate or to grant a right to extract minerals, which fails to state or describe in express and specific terms the specific manner or method of coal extraction to be employed, or where said instrument contains language subordinating the surface estate to the mineral estate, it shall be held, in the absence of clear and convincing evidence to the contrary, that the intention of the parties to the instrument was that the coal be extracted only in the principal manner or method of coal extraction prevailing in Kentucky at the time the instrument was executed, and that the mineral estate be dominant to the surface estate only for the purposes of coal extraction in the principal manner or method of coal extraction prevailing in Kentucky at the time the instrument was executed.

The Committee Substitute to **HB 328** is as follows:

HB 328, AN ACT relating to the construction of mineral deeds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

The purposes of this Act are as follows:

(1) To facilitate and require the demonstration of a clear understanding between the owners of surface and mineral estates in land concerning their respective rights to use and occupy or injure the surface of the land;

(2) To protect the security of titles to land and improvements thereto;

(3) To promote the free alienability of land;

(4) To prevent hardship and injustice to surface or mineral owners arising from uncertainty of the law;

(5) To promote the conservation and the full and efficient use of all natural resources of the state, including the land, the making of improvements to the land, the growth of agriculture, the development of new industry and the general economic well-being of the state and its people;

(6) To codify a rule of construction for mineral deeds relating to coal extraction so as to implement the intention of the parties at the time the instrument was created; and

(7) To foster certainty and uniformity in the operation of the law.

SECTION 2. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

In any instrument heretofore or hereafter executed purporting to sever the surface and mineral estates or to grant a mineral estate or to grant a right to extract minerals, which fails to state or describe in express and specific terms the method of coal extraction to be employed, or where said instrument contains language subordinating the surface estate to the mineral estate, it shall be held, in the absence of clear and convincing evidence to the contrary, that the intention of the parties to the instrument was that the coal be extracted only by the method or methods of coal extraction commonly known to be in use in Kentucky in the area affected at the time the instrument was executed, and that the mineral estate be dominant to the surface estate only for the purposes of coal extraction by the commonly known to be in use method or methods of coal extraction commonly known to be in use in Kentucky in the area affected at the time the instrument was executed.

SECTION 3. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

For the purpose of this Act, "method" and "methods" mean underground, surface, auger, or open pit mining and nothing in this Act shall be interpreted to adversely affect the use of modern equipment or machinery.

Announcements

The following meetings were announced:

Counties and Special Districts: Wednesday, 8:00 a.m., Room 316.

Subcommittee on Surface Mining: Wednesday, 10:00 a.m., Room 307.

Public Hearing Workmen's Compensation (**HB 532**): Friday, on adjournment, Room A.

Jefferson County Delegation: Postponed until Wednesday on adjournment.

4-County Air Quality Area Committee: Wednesday, 11:00 a.m., Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m. Wednesday, March 12, 1980.

On the roll call the vote was yeas 37-Arnold, Bendl, Bennett, Blythe, Boswell, Caldwell, Cawood, Clark, Craddock, Curd, Cyrus, Donnermeyer, Dunn, Foster, Freibert, Fryman, Gray, Holbrook, List, Little, Maynard, McBee, Nett, O'Brien, Pearman, Petty, Plummer, Priddy, Rapier, Richards, Richardson, B., Schmidt, Thomason, Turner, Van Horn, Wilborn, Williams, Nays 1-LeMaster.

The motion to adjourn was adopted.

WEDNESDAY, MARCH 12, 1980

FORTY-SECOND LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend Bob Parker, Kosmosdale Baptist Church, Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

The following Certificate of Election was presented and read for Porter Reynolds:

The Honorable William Kenton, Speaker
House of Representatives
Capitol Building
Frankfort, Kentucky 40601

Dear Speaker Kenton:

I, Frances Jones Mills, Secretary of State of the Commonwealth of Kentucky and Chairman of the State Board of Elections of the Commonwealth of Kentucky, and we, Earl Searcy and Raymond Bossmeyer, Members of the State Board of Elections, do hereby certify that PORTER REYNOLDS, Democrat, Jackson, Kentucky, received the highest number of votes cast in the Special Election held on March 8, 1980, in the Eighty-Ninth Representative District, and is therefore elected to said office.

Enclosed is a certification of the votes cast in each of the counties comprising the Eighty-Ninth Representative District.

Given under our hands this 12th day of March, 1980.

/s/ Frances Jones, Mills, Chairman

/s/ Earl Searcy, Member

/s/ Raymond Bossmeyer, Member

I, Frances Jones Mills, Secretary of State of the Commonwealth of Kentucky and Chairman of the State Board of Elections of the Commonwealth of Kentucky, and we, Earl Searcy and Raymond Bossmeyer, members of the State Board of Elections of the Commonwealth of Kentucky, do hereby certify that the following is a true and correct statement of the votes in the Eighty-Ninth Representative District as certified by the County Boards of Elections, for the counties of, Breathitt, Lee, Perry and Wolfe, at the Special Election held on March 8, 1980.

	Porter REYNOLDS Democrat	Roger L. PELFREY Republican	Jim MAGGARD Independent
Breathitt	1,524	188	760
Lee	461	216	182
Perry	159	96	66
Wolfe	187	63	84
Totals	2,331	563	1,092

Given under our hands this 12th day of March, 1980.

/s/ Frances Jones Mills, Chairman

/s/ Earl Search, Member

/s/ Raymond Bossmeyer, Member

The oath of office was administered to Representative Reynolds by The Honorable John S. Palmore, Chief Justice of the Supreme Court of Kentucky.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 11, 1980, be dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

Appropriations and Revenue: **SR 44.**

Cities: **SB 253.**

Education: **SB 275.**

Energy: **SB 217, SB 222.**

Judiciary: **SB 100.**

Labor and Industry: **HR 111.**

State Government: **SB 229.**

Transportation: **SB 148, SB 246.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills have been posted for Committee consideration:

Business Organizations and Professions: **HB 972.**

Judiciary: **HB 865, HB 867, HB 893, HB 959, HB 974, HB 832, SB 177, HB 849.**

Banking and Insurance: **HB 802, HB 951.**

The Clerk announced **HB 674** has been withdrawn from consideration by the Committee on Agriculture and Small Business.

Report of Committees

The Committee on Rules reported **HB 176, HB 200, HB 296, HB 337, HB 469, HB 540, HB 581, HB 669,** and **HR 52** have been posted for passage in Orders of the Day, March 13, 1980.

The Committee on Rules reported the following Bills have been recommitted:

HB 470 to the Committee on Appropriations and Revenue.

HB 519 to the Committee on State Government.

HB 461 to the Committee on State Government.

The Committee on Elections and Constitutional Amendments reported **HB 109** with Committee Substitute attached thereto, **HB 14** with Committee Amendments attached thereto, **HB 340**, and **SB 33** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 109, AN ACT proposing an amendment to Section 170 of the Constitution of Kentucky relating to property exempt from taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It is proposed that Section 170 of the Constitution of Kentucky be amended to read as follows:

There shall be exempt from taxation public property used for public purposes; places actually used for religious worship, with the grounds attached thereto and used and appurtenant to the house of worship, not exceeding one-half acre in cities or towns, and not exceeding two acres in the country; places of burial not held for private or corporate profit, institutions of purely public charity, and institutions of education not used or employed for gain by any person or corporation, and the income of which is devoted solely to the cause of education, public libraries, their endowments, and the income of such property as is used exclusively for their maintenance; all parsonages or residences owned by any religious society, and occupied as a home, or residences owned by any religious society, and occupied as a home, and for no other purpose, by the minister of any religion, with not exceeding one-half acre of ground in towns and cities and two acres of ground in the country appurtenant thereto; household goods of a person used in his home; crops grown in the year in which the assessment is made, and in the hands of the producer; and real property maintained as the permanent residence of the owner, who is sixty-five years of age or older, *or is classified as disabled under a program administered by an agency of the Commonwealth or United States government, provided the property owner received disability payments pursuant to such disability classification and has maintained such disability classification for the entirety of the particular taxation period,* up to the assessed valuation of sixty-five hundred dollars on said residence and contiguous real property, except for assessment for special benefits. The real property may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by the stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years. The exemptions shall apply only to the value of the real property assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which his interest in the corporation bears to the assessed value of the property. All laws exempting or omitting property from taxation other than the property above mentioned shall be void. The general assembly may authorize any incorporated city or town to exempt manufacturing establishments from municipal taxation, for a period not exceeding five years, as an inducement to their location.

Section 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415.

The Committee Substitute to **HB 109** is as follows:

HB 109, AN ACT proposing an amendment to Section 170 of the Constitution of Kentucky relating to property exempt from taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It is proposed that Section 170 of the Constitution of Kentucky be amended to read as follows:

There shall be exempt from taxation public property used for public purposes; places actually used for religious worship, with the grounds attached thereto and used and appurtenant to the house of worship, not exceeding one-half acre in cities or towns, and not exceeding two acres in the country; places of burial not held for private or corporate profit, institutions of purely public charity, and institutions of education not used or employed for gain by any person or corporation, and the income of which is devoted solely to the cause of education, public libraries, their endowments, and the income of such property as is used exclusively for their maintenance; all parsonages or residences owned by any religious society, and occupied as a home, or residences owned by any religious society, and occupied as a home, and for no other purpose, by the minister of any religion, with not exceeding one-half acre of ground in towns and cities and two acres of ground in the country appurtenant thereto; household goods of a person used in his home; crops grown in the year in which the assessment is made, and in the hands of the producer; and real property maintained as the permanent residence of the owner, who is sixty-five years of age or older, *or is classified as totally disabled under a program authorized or administered by an agency of the United States government or by the railroad retirement system, provided the property owner received disability payments pursuant to such disability classification, has maintained such disability classification for the entirety of the particular taxation period, and has filed with the appropriate local assessor by December 31 of the taxation period, on forms provided therefor, a signed statement indicating continuing disability as provided herein made under penalty of perjury,* up to the assessed valuation of sixty-five hundred dollars on said residence and contiguous real property, except for assessment for special benefits. The real property may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by the stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years. The exemptions shall apply only to the value of the real property assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which his interest in the corporation bears to the assessed value of the property. All laws exempting or omitting property from taxation other than the property above mentioned shall be void. The general assembly may authorize any incorporated city or town to exempt manufacturing establishments from municipal taxation, for a period not exceeding five years, as an inducement to their location.

Section 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415.

HB 14, AN ACT proposing an amendment to the Kentucky Constitution relating to terms of elected officials.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It is proposed that Section 71 of the Kentucky Constitution be amended to read as follows:

The governor shall be eligible to election for two (2) successive terms. He shall be ineligible for the succeeding four (4) years after the expiration of the *second* term for which he shall have been elected.

Section 2. It is proposed that Section 82 of the Kentucky Constitution be amended to read as follows:

A lieutenant governor shall be chosen at every regular election for governor, in the same manner, to continue in office for the same time, and possess the same qualifications as the governor. *The lieutenant governor shall be eligible to election for two (2) successive terms.* He shall be ineligible to the office of lieutenant governor for the succeeding four (4) years after the expiration of the *second* term for which he shall have been elected.

Section 3. It is proposed that Section 93 of the Kentucky Constitution be amended to read as follows:

The treasurer, auditor of public accounts, secretary of state, commissioner of agriculture, labor and statistics, attorney-general, superintendent of public instruction and register of the land office shall be *eligible to election for two (2) successive terms and shall be* ineligible to re-election for the succeeding four (4) years after the expiration of the *second* term for which they shall have been elected. The duties and responsibilities of these officers shall be prescribed by law, and all fees collected by any of said officers shall be covered into the treasury. Inferior state officers, not specifically provided for in this Constitution, may be appointed or elected, in such manner as may be prescribed by law, for a term not exceeding four (4) years, and until their successors are appointed or elected and qualified.

Section 4. It is proposed that Section 99 of the Kentucky Constitution be amended to read as follows:

There shall be elected in *nineteen hundred and eighty-one and every four (4) years thereafter,* [eighteen hundred and ninety-four] in each county a judge/*executive* of the county [court], a county [court] clerk, a county attorney, sheriff, jailer, coroner, surveyor and assessor, and in each justice's district one justice of the peace and one constable, who shall enter upon the discharge of the duties of their offices on the first Monday in January after their election, and continue in office [three years, and] until the election and qualification of their successors[; and in eighteen hundred and ninety-seven, and every four (4) years thereafter, there shall be an election in each county of the officers mentioned, who shall hold their offices four (4) years (from the first Monday in January after their election), and until the election and qualification of their successors. The first election of sheriffs under this Constitution shall be held in eighteen hundred and ninety-two, and the sheriffs then elected shall hold their offices two (2) years, and until the election and qualification of their successors. The sheriffs now in office for their first term shall be eligible to re-election in eighteen hundred and ninety-two, and those elected in eighteen hundred and ninety-two for the first term shall be eligible to re-election in eighteen hundred and ninety-four, but thereafter no sheriff shall be eligible to re-election or to act as deputy for the succeeding term]. *The sheriff shall be eligible to election for two (2) successive terms and shall be ineligible for the succeeding four (4) years after the expiration of the second term for which he shall have been elected.*

Section 5. This amendment shall be submitted to the voters of the Commonwealth of Kentucky for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415.

The Committee Amendment No. 1 to **HB 14** is as follows:

Amend printed copy of **HB 14** on page 3, line 22, after "Section 5." insert "Sections 1, 2 and 3 of this Act shall be effective as of January 1, 1984.

Section 6."

The Committee Amendment No. 2 to **HB 14** is as follows:

Amend printed copy of **HB 14** on page 3, line 22, after "Section 5." insert "It is proposed that Section 30 of the Constitution of Kentucky be amended to read as follows:

Members of the House of Representatives and Senators shall be elected at the general election in even-numbered years for terms of *six* [four] years for Senators and *four* [two] years for members of the House of Representatives. The term of office of Representatives and Senators shall begin upon the first day of January of the year succeeding their election.

Section 6. It is proposed that Section 31 of the Constitution of Kentucky be amended to read as follows:

At the general election to be held in November, 1984, and every two years thereafter *when necessary*, there shall be elected for *six* [four] years one Senator in each Senatorial District in which the term of his predecessor in office will then expire and in every Representative District one Representative for *four* [two] years.

Section 7."

HB 340, AN ACT relating to election precincts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.055 is amended to read as follows:

(1) Each county shall be divided into election precincts. The political territory having the least area within the county's boundaries, with the exception of the total area of a city or town contained within such boundaries, shall be designated an election precinct. Each election precinct shall be composed of contiguous and, as nearly as practicable, compact areas having clearly definable boundaries and wholly contained within any larger district. The county board of elections shall have the authority to draw precinct lines so as to enable more than one precinct to vote at one location. The county board of elections shall review election precinct boundaries as often as necessary. Without exception they shall review the boundaries of all election precincts exceeding seven hundred (700) *votes cast in the last regular election* [registered voters] prior to each primary election. Consideration to the division of said election precincts should be based on the anticipated growth factor within the specified boundaries; however, the county board of elections shall not be prohibited from dividing election precincts in excess of seven hundred (700) *votes cast in the last regular election* [registered voters] or less than seven hundred (700) *votes cast in the last regular election* [registered voters] if they elect to do so. No election precinct shall be created, divided, abolished or consolidated or the boundaries therein changed later than fifty-five (55) days prior to any primary or general election to comply with

the provisions of this section. The county board of elections shall designate the name or number and the boundaries of the election precincts. Each precinct shall contain, as nearly as practicable, an equal number of voters, based on the number of registered voters in the county. A map and listing of the exact election precinct boundaries shall be filed by the county board of elections with the state board of elections, and any changes in boundaries thereafter made shall also be filed with the state board of elections. A copy of this map indicating all precinct boundaries within the county shall be included in the election supplies of each precinct.

(2) If the county board of elections fails to perform the duty herein required, then the state board of elections or any citizen and voter of the county may apply to the circuit court of the county for a summary mandatory order requiring the board to perform this duty. Appeals may be taken to the Court of Appeals by either party.

SB 33, AN ACT relating to voter registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 116.049 is amended to read as follows:

(1) The *state board of elections* [county clerk] shall prepare and issue to each elector registered after July 1, 1976, a registration notification card of convenient size containing the name and residence address of the elector, the name or number of the precinct in which the elector resides, and a brief statement of the circumstances under which the elector is required to reregister.

(2) At the time he reregisters, each elector shall surrender *to the county clerk* any registration card in his possession previously issued to him, and the *state board of elections* [county clerk] shall issue a new card to him.

(3) If an elector loses his registration card he may apply to the county clerk for a new card, and the *state board of elections* [county clerk] shall issue a new card to him.

(4) The state board of elections shall be reimbursed the expense of preparing and issuing registration cards up to the amount of fifteen cents per registration card issued to be paid from the state treasury as a necessary governmental expense.

Section 2. KRS 116.105 is amended to read as follows:

(1) The county clerk is entitled to collect:

(a) For original registration, fifteen cents (15¢) for each person registered;

(b) [For each voter registration notification card issued, fifteen cents to be paid from the state treasury;

(c)] For copying for the use of any person, five cents (5¢) per name;

(c)[(d)] For making copies of lost, mutilated or destroyed records, ten cents (10¢) per name;

(d)[(e)] For services with relation to the purging of registration, ten cents (10¢) for each name ordered off or canceled.

(2) The fees[, other than those under subsection (1) (b),] shall be paid by the county, except where the copying is done for an individual at his request.

The Committee on Counties and Special Districts reported **HB 427** with Committee Substitute attached thereto, **HB 734** with Committee Substitute attached thereto, **HB 563** with Committee Amendment attached thereto, **HB 730, HB 804, HB 911, SB 45** with Committee Amendment attached thereto, and **SB 172** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 427, AN ACT relating to county clerks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

Recording deed of trust or assignment for the benefit of creditors, provided the entire record thereof does not exceed three pages	$ 5.00
Exceeding three pages, for each page	1.50
Copy and certification of same when ordered	3.50

Each bond required to be taken or prepared by the clerk	2.00
Copy of any bond when ordered	1.50
Recording a bond, each bond	5.00
Receiving the acknowledgment or proof of any deed, mortgage or agreement, power of attorney, or other written instrument required by law to be done and certifying same	1.25
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of deed	3.50
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of real estate mortgage	3.50
Recording deed of assignment of real estate mortgage	5.00
Noting release of any lien, mortgage or redemption other than a deed of release	1.50
Receiving the acknowledgment, recording and certifying each deed of release of a mortgage or lien under KRS 382.360	5.00
Each additional marginal notation relating to same instrument	1.50
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	10.00
Recording survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city	10.00
Every order concerning the establishment, changing, closing or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed or discontinued, and by the applicant when it is not	1.00
Administering an oath and certificate thereof	1.00
Issuing license for which no other fee is fixed by law	1.50
Marriage license, bond, certificate and recording	4.00
For filing and indexing an original or continuation financing statement, and noting the security interest on the required receipt for one motor vehicle	*7.00*[6.00]
For filing and indexing an assignment of a financing statement	*7.00*[6.00]
For filing and noting a statement of release of collateral under a financing statement	1.00
For filing and noting any portion of a release of collateral under a financing statement	*1.00*
Recording real estate options, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording power of attorney or revocation of power of attorney, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording plats, maps and surveys, not exceeding 18 inches by 24 inches, per page	10.00
Recording all leases which are recordable by law, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Marginal notation to same instrument	1.50
Filing or recording of certification of intention to operate a business under an assumed name	5.00
Filing or recording of mechanic's and artisan's liens under KRS Chapter 376	5.00
Filing or recording of notice of lien issued by the Internal Revenue Service	5.00
Filing or recording of notice of lien discharges issued by the Internal Revenue Service	5.00
Filing or recording of lis pendens notice concerning proceedings in bankruptcy and other lis pendens notices, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording United States liens, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording release of a United States lien, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording state tax or other state liens	5.00
Filing release of a state tax or other state lien	5.00
Filing notification and declaration and petition of candidates for office	5.00
Deposit of wills under KRS 394.110	5.00
Recording wills or other probate documents under KRS 394.300	5.00
Issuance of fish and game licenses or tags costing more than $1.00 *but less than $4.99* each	.50

Issuance of fish and game licenses or tags costing $5 or more each	*1.00*
Registration of licenses for professional persons required to register with the county clerk	5.00
Recording and issuing articles, statements, or reports of corporations pursuant to KRS Chapter 271A, including articles of incorporation amendment, restatement of incorporation, merger, or dissolution and statements of establishment of a series of shares, cancellation of a series of shares, reduction of capital, intent to dissolve, revocation of voluntary dissolution, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Miscellaneous recordings for which no specific fee is set, provided the entire record thereof does not exceed three pages (except military discharges)	5.00
Exceeding three pages, each additional page	1.50
Filing miscellaneous documents for which no specific fee is set, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, each additional page	1.50

The Committee Substitute to **HB 427** is as follows:

HB 427, AN ACT relating to county clerks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

Recording deed of trust or assignment for the benefit of creditors, provided the entire record thereof does not exceed three pages	$ 5.00
Exceeding three pages, for each page	1.50
Copy and certification of same when ordered	3.50
Each bond required to be taken or prepared by the clerk	2.00
Copy of any bond when ordered	1.50
Recording a bond, each bond	5.00
Receiving the acknowledgment or proof of any deed, mortgage or agreement, power of attorney, or other written instrument required by law to be done and certifying same	1.25
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of deed	3.50
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Certified copy of real estate mortgage	3.50
Recording deed of assignment of real estate mortgage	5.00
Noting release of any lien, mortgage or redemption other than a deed of release	1.50
Receiving the acknowledgment, recording and certifying each deed of release of a mortgage or lien under KRS 382.360	5.00
Each additional marginal notation relating to same instrument	1.50
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	10.00
Recording survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city	10.00
Every order concerning the establishment, changing, closing or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed or discontinued, and by the applicant when it is not	1.00
Administering an oath and certificate thereof	1.00
Issuing license for which no other fee is fixed by law	1.50
Marriage license, bond, certificate and recording	4.00
For filing and indexing an original or continuation financing statement, [and] noting the security interest on the required receipt for one motor vehicle, *and for filing and noting one (1) statement of release of collateral under a financing statement*	*7.00*[6.00]
For filing and indexing an assignment of a financing statement	*7.00*[6.00]

For filing and noting *any portion of* a statement of release of collateral under a financing statement *other than the one (1) release included in the original filing fee*	1.00
Recording real estate options, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording power of attorney or revocation of power of attorney, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Recording plats, maps and surveys, not exceeding 18 inches by 24 inches, per page	10.00
Recording all leases which are recordable by law, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Marginal notation to same instrument	1.50
Filing or recording of certification of intention to operate a business under an assumed name	5.00
Filing or recording of mechanic's and artisan's liens under KRS Chapter 376	5.00
Filing or recording of notice of lien issued by the Internal Revenue Service	5.00
Filing or recording of notice of lien discharges issued by the Internal Revenue Service	5.00
Filing or recording of lis pendens notice concerning proceedings in bankruptcy and other lis pendens notices, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording United States liens, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording release of a United States lien, provided the entire record per lien does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Filing or recording state tax or other state liens	5.00
Filing release of a state tax or other state lien	5.00
Filing notification and declaration and petition of candidates for office	5.00
Deposit of wills under KRS 394.110	5.00
Recording wills or other probate documents under KRS 394.300	5.00
Issuance of fish and game licenses or tags costing more than $1.00 each	.50
Registration of licenses for professional persons required to register with the county clerk	5.00
Recording and issuing articles, statements, or reports of corporations pursuant to KRS Chapter 271A, including articles of incorporation amendment, restatement of incorporation, merger, or dissolution and statements of establishment of a series of shares, cancellation of a series of shares, reduction of capital, intent to dissolve, revocation of voluntary dissolution, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, for each page	1.50
Miscellaneous recordings for which no specific fee is set, provided the entire record thereof does not exceed three pages (except military discharges)	5.00
Exceeding three pages, each additional page	1.50
Filing miscellaneous documents for which no specific fee is set, provided the entire record thereof does not exceed three pages	5.00
Exceeding three pages, each additional page	1.50

HB 734, AN ACT relating to utility services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96.538 is amended to read as follows:

Any utility providing electric, *water sewer or gas* service in any area annexed, subsequent to *July 15, 1980* [June 16, 1960], by any municipality *may* [shall have the dominant right to] continue to provide electric *water, sewer, or gas* service in said area to consumers then being served and to new consumers located nearer to its facilities than to the facilities of any other utility *operating in such area* [as all those facilities were located immediately] prior to annexation.

The Committee Substitute to **HB 734** is as follows:

HB 734, AN ACT relating to utility services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96.538 is amended to read as follows:

(1) Any utility providing electric service in any area annexed, subsequent to June 16, 1960, by any municipality shall have the dominant right to continue to provide electric service in said area to consumers then being served and to new consumers located nearer to its facilities than to the facilities of any other utility as all those facilities were located immediately prior to annexation.

(2) Any utility providing water, sewer or gas service in any area annexed, subsequent to July 15, 1980, by any municipality shall have the dominant right to continue to provide water, sewer or gas service in said area to consumers then being served and to new consumers located nearer to its facilities than to the facilities of any other utility as all those facilities were located immediately prior to annexation.

HB 563, AN ACT relating to sheriffs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.090 is amended to read as follows:

Sheriffs may charge and collect for the following services the following fees:

Executing and returning process	$3.00
Serving an order of court and return	3.00
Summoning each witness	2.00
Summoning an appraiser or reviewer	2.00
Attending a surveyor, when ordered by a court, per deputy or sheriff assigned	20.00
Taking any bond that he is authorized or required to take in any action	5.00

Collecting money under execution or distress warrant, if the debt is paid or the property sold, or a delivery bond given and not complied with, six per cent (6%) on the first three hundred dollars ($300) and three per cent (3%) on the residue; when he levies an execution or distress warrant, and the defendant replevies the debt, or the writ is stayed by legal proceedings or by the order of the plaintiff, half of the above commissions, to be charged to the plaintiff and collected as costs in the case.

Taking a recognizance of a witness	$3.00
Levying an attachment	5.00

When property attached is sold by an officer other than the officer levying the attachment, the court shall, in the judgment, make the officer an additional and reasonable allowance for levying the attachment, and the fee of the officer selling the property shall be lessened by that sum. Reasonable charges for removing and taking care of attached property shall be allowed by order of court.

Summoning a garnishee	3.00
Summoning a jury in a misdemeanor case, attending the trial, and conducting the defendant to jail to be paid by the party convicted	8.00
Serving process or arresting the party in misdemeanor cases, to be paid by the plaintiff	10.00
Serving an order or process of revivor	3.00
Executing a writ of possession against each tenant or defendant	7.00

Executing a capias ad satisfaciendum, the same commission as collecting money on execution. If the debt is not paid, but stayed or secured, half commission.

Summoning and attending a jury in a case of forcible entry and detainer, besides fees for summoning witnesses	8.00

Collecting militia fines and fee-bills, ten per cent (10%), to be deducted out of the fee-bill or fine.

Levying for a fee-bill	3.00
Serving a notice	2.00
Serving summons, warrants or process of arrest in bastardy cases	6.00
Serving each order appointing surveyors of roads, to be paid out of the county levy	5.00
Serving each summons or order of court in applications concerning roads, to be paid out of the county levy if the road is established, and in all other cases to be paid by the applicant	5.00
Like services in cases of private passways to be paid by the applicant	5.00

Executing each writ of habeas corpus, to be paid by

the petitioner 3.00
All services under a writ issued under KRS 381.460 to 381.570 ....10.00
Transporting a prisoner to court (sheriff shall be paid the fee for each day a prisoner is transported to court by the sheriff's office) 6.00
Performing the duties of jailer, the same fees and allowances that are prescribed for jailers.
For services in summoning grand and petit jurors and performing his duties under KRS Chapter 29A the sheriff shall be allowed, for each person so summoned, and paid out of the state treasury for constructive service the sum of $1.50 and for personal service the sum of $3.00.

The Committee Amendment No. 1 to **HB 563** is as follows:

Amend printed copy of **HB 563** on page 3, line 20, after the word "*paid*" add the following: "*by the unit of government, as defined in KRS 441.005,*".

HB 730, AN ACT relating to soil conservation districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 262.200 is amended to read as follows:

(1) A district shall constitute a governmental subdivision of the state and public body corporate and politic, exercising public power.

(2) The governing body of the district shall consist of a board of seven supervisors. On organization of a district, the first two supervisors shall be appointed by the committee as provided in KRS 262.150, and five shall be elected under KRS 262.210 and 262.220. The supervisors shall hold no other city, county or state elective office. Where the need for urban representation on the board of supervisors exists, it shall be limited to three members.

(3) The board may sue and be sued in the name of the district; have a seal, which shall be judicially noticed; have perpetual succession unless terminated as provided in KRS 262.530 to 262.560; make and execute contracts and other instruments necessary or convenient to exercise its powers.

(4) The board may request annual operating funds from the fiscal court. To support the request, the board shall present to the fiscal court a report of the previous year's operation, a long range plan for natural resource development and an annual plan of work. *Should a fiscal court fail to approve a requested budget, it shall present a specific list of objections and suggested corrections to the board in writing and within a reasonable time. If a budget request is not approved, the board may submit a revised budget request. Funds for an approved budget shall be supplied* [Upon the fiscal court's approval of the budget, it shall provide the operating funds requested,] either from general funds or from the levy of a millage tax on all real property within the boundaries of the county, *the total amount not to exceed twenty-five thousand dollars ($25,000) in any one (1) fiscal year* [equal to not more than two cents per acre, or part thereof, on all lands lying within the boundaries of the county]. The tax shall be collected in the same manner as other county taxes, and shall be credited to the board. The funds so collected shall be expended by the board for the employment of soil conservation aids, and for other purposes directly associated with the program, including promotional activities, prize moneys, office equipment and supplies, and incidentals deemed necessary.

HB 804, AN ACT relating to jails.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.150 is amended to read as follows:

(1) Jailers shall be paid out of the county treasury, except as provided in subsection (2) of this section, the following fees for the following services:

Putting a prisoner charged with an offense or contempt in irons, or to secure his safekeeping in the jail, besides the cost of irons ....$ .50
Keeping and dieting prisoners in jail when confined for an offense or contempt, per day ......*$9.75*[6.75]
Imprisoning and releasing a prisoner charged with an offense or contempt ....$ .75
Attending district or circuit court, per day (jailer shall be paid the fee for each day a prisoner is transported to court) $6.00

Imprisoning and releasing a prisoner for violation of his probation or parole; provided, however, the state granting probation or parole has executed a compact with the commonwealth in accordance with KRS 439.560. The fees shall be the same as those charged for an offense and contempt.

(2) The unit of government whose law, statute, ordinance, or code a prisoner is charged with or convicted of violating shall be responsible for paying to the jailer the fees provided in subsection (1) of this section. In the event of a person imprisoned for contempt of court, the state shall be deemed the responsible unit of government. Where a person is detained other than for violation of a law or for contempt the unit of government requesting the service of the jailer shall pay to the jailer the fees provided in subsection (1) of this section.

(3) For all other services performed by the jailer, he shall receive the same fees paid to sheriffs for like services.

(4) If a court sends a prisoner to a jail of another county, then the treasurer of the unit of government from which the prisoner was sent shall pay the treasurer of the holding county any fees to which the jailer of the holding county is entitled to by law.

HB 911, AN ACT relating to the duties of county attorneys.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 69.210 is amended to read as follows:

(1) The county attorney shall attend the fiscal court and conduct all business in that court touching the rights or interests of the county, and when so directed by the fiscal court he shall institute, defend and conduct all civil actions in which the county is interested before any of the courts of the Commonwealth.

(2) The county attorney shall attend to the prosecution in the juvenile session of the district court of all proceedings held pursuant to petitions filed under KRS 208.070 and over which the juvenile session of the district court has jurisdiction pursuant to KRS 208.020(1)(a), (b), (c) and (d).

(3) The county attorney shall give legal advice to the fiscal court and the several county officers in all matters concerning any county business within their jurisdiction. He shall oppose all unjust or illegally presented claims.

(4)[(3)] A county attorney serving in a county or urban-county which is part of a judicial circuit described by KRS 69.010(2), in addition to the duties in subsections (1) and (2) of this section, shall have the following duties:

(a) He shall attend all civil cases and proceedings in his county in which the Commonwealth is interested.

(b) He shall advise the collector of money due the Commonwealth in the county in regard to motions against delinquent collecting officers for failing to return executions, and shall prosecute the motions. In no case shall the county attorney take a fee or act as counsel in any case in opposition to the interest of the county.

SB 45, AN ACT relating to special districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 108.080 is amended to read as follows:

As used in KRS 108.080 — 108.180 unless the context requires otherwise:

(1) "District" means emergency ambulance service district;

(2) "Board" means the board of directors of the emergency ambulance service district;

(3) "County" means the incorporated and unincorporated areas thereof;

(4) "City" means an incorporated city of any class in counties containing a city of the first class.

Section 2. KRS 108.090 is amended to read as follows:

(1) For the purpose of enabling counties *and cities in counties containing a city of the first class* to provide emergency ambulance service to assure public safety and welfare the general assembly does hereby allow *all of the territory within the corporate boundaries of a city containing a city of the first class,* all of the territory coterminous with the boundaries of a county, or coterminous with the boundaries of two (2) or more counties *or cities in counties containing a city of the first class* contiguous to each other, to be organized into an emergency ambulance service district for the purpose of financing and administering emergency ambulance service for the residents of the district.

(2) An emergency ambulance service district organized within the corporate boundaries of a city or cities in counties containing a city of the first class shall constitute a district which is separate and independent from any other district established pursuant to KRS 108.080 to 108.180.

Section 3. KRS 108.100 is amended to read as follows:

Districts shall be organized in the following manner:

(1) Upon the filing of a certified petition of one hundred (100) or more qualified voters in each county *or city in counties containing a city of the first class* to be included within the territorial limits of the proposed district or upon the determination of each fiscal court *or city legislative body* in the proposed district that the establishment of a district is in the best interests of the inhabitants of the county *or city*, the fiscal court of each county *or the legislative body of each city* in the proposed district shall adopt a resolution submitting to the qualified voters of the county *or city* the question as to whether an emergency ambulance service district should be established for the area and a special ad valorem tax imposed for the maintenance and operation of the district, not to exceed ten cents (10¢) on each one hundred dollars ($100) of the assessed valuation of all property in the district. A certified copy of the resolution of the fiscal court *or city legislative body in counties containing a city of the first class* shall be filed with the county clerk at least sixty (60) days prior to the next regular election and thereupon the clerk shall cause the question to be placed on the ballot.

(2) The question shall be in substantially the following form: "Are you in favor of establishing an emergency ambulance service district for (insert names of counties *or cities in counties containing a city of the first class*) which shall have the authority to impose a special ad valorem tax of (insert exact amount) on each one hundred dollars ($100) worth of property assessed for local taxation in the district for the maintenance and operation of the (insert name) emergency ambulance service district?"

(3) If a majority of those voting in each county *or city in counties containing a city of the first class* on the question favor the establishment of an emergency ambulance service district it shall be so established and shall constitute and be a taxing district within the meaning of Section 157 of the constitution of Kentucky. The cost of the election shall be paid by the fiscal court.

(4) All special ad valorem taxes authorized by KRS 108.080 to 108.180 shall be collected in the same manner as are other county *and city* ad valorem taxes in each county *and city* affected and shall be turned over to the board of directors as the governing body of the district. The special ad valorem tax shall be in addition to all other ad valorem taxes. The sheriff shall be entitled to a fee of one percent (1%) of the amount of the tax collected by him.

Section 4. KRS 108.110 is amended to read as follows:

(1) The affairs of the district shall be controlled and managed by a board of directors appointed by fiscal courts and city legislative bodies *in counties containing a city of the first class* in the following manner:

(a) If the district consists of one (1) city, three (3) members shall be appointed to the board by the city legislative body;

(b) If the district consists of two (2) cities, the legislative body of the city having the greater portion of the population of the district shall appoint two (2) directors and the legislative body of the other city shall appoint the third (3rd) director;

(c) If the district consists of more than two (2) cities, the legislative body of the city having the greatest portion of the population of the district shall appoint two (2) directors and the legislative body of the remaining cities comprising the district shall appoint one (1) director;

(d)[(a)] If the district consists of one (1) county, three (3) members shall be appointed to the board by the fiscal court of the county;

(e)[(b)] If the district consists of two (2) counties, the fiscal court of the county having the greater portion of the population of the district shall appoint two (2) directors and the fiscal court of the other county shall appoint the third director;

(f)[(c)] If the district consists of more than two counties, the fiscal court of the county having the greatest portion of the population of the district shall appoint two (2) directors and the fiscal court of the remaining counties comprising the district shall each appoint one (1) director;

(g)[(d)] The legislative body of each city of the first three classes, or if there is no such class of city, the city of the highest class located within each county in the district shall appoint one (1) additional director.

(2) Each board member shall reside within the district and within the county or city of which he was appointed to represent.

(3) The board of directors shall be appointed by the appropriate legislative body within thirty (30) days after the establishment of the district. The terms of office of the directors first appointed shall expire on the first Monday in January of the even numbered year next following their appointment. Thereafter, directors shall be appointed for terms of two (2) years each, expiring on the first Monday in January of the next even numbered year or until their successors are appointed. Any vacancies shall be filled by the appointing authority for the unexpired term.

(4) A majority of the membership of the board shall constitute a quorum.

Section 5. KRS 108.120 is amended to read as follows:

(1) Each director, before entering upon his official duties, shall take and subscribe to an oath that he will honestly, faithfully and impartially perform the duties of his office and that he will not be interested in any contract let for the purpose of effectuating any of the provisions of KRS 108.080 to 108.120. The oath shall be filed with the records of the district.

(2) The members of the board shall not receive compensation for their services but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties upon sworn written statements accompanied by receipts for any expense in excess of *four dollars ($4.00)* [two dollars ($2.00)] submitted to and approved by the board.

Section 6. KRS 108.150 is amended to read as follows:

The board shall keep a minute book, appropriately bound and marked, in which the minutes of each meeting of the board shall be kept, together with all resolutions, regulations, tax levies, and other pertinent material. A copy of the contents of the minute book shall be kept on file in the office of the clerk of the county *or city* which has the greatest population of the district. The public shall have the right to inspect the book and its contents at all times.

Section 7. KRS 108.160 is amended to read as follows:

Single county *or city* districts may be dissolved in the following manner:

(1) Upon the filing of a certified petition of one hundred (100) or more qualified voters in the district or upon the determination of the fiscal court *or city legislative body* that the abolishment of the district is in the best interest of the inhabitants of the county *or city*, the fiscal court *or city legislative body* shall adopt a resolution submitting to the qualified voters of the county *or city* as to whether the district should be dissolved and the imposition of the special ad valorem tax discontinued. A certified copy of the resolution of the fiscal court shall be filed with the county clerk at least sixty (60) days prior to the next regular election and thereupon the clerk shall cause the question to be placed on the ballot.

(2) The question on the ballot shall be in substantially the following form: "Are you in favor of dissolving the emergency ambulance service district for (insert name of county *or city*) and discontinuing the special ad valorem tax that is imposed for the maintenance and operation of the district?"

(3) If a majority of those voting on the question favor dissolving the district and discontinuing the imposition of the special ad valorem tax the county clerk *or the collector of city taxes* shall remove the levy of the special ad valorem tax from the tax bills of the property owners of the district and the district shall be dissolved by order of the fiscal court *or city legislative body.*

(4) A resolution for the dissolution of the district shall not be considered to have any legal effect if contractual obligations assumed prior to the time of the passage of the resolution by the board have not been met.

Section 8. KRS 108.170 is amended to read as follows:

Multi-county *or multi-city* districts may be dissolved when each member county *or city* follows procedures defined in KRS 108.160.

Section 9. KRS 108.180 is amended to read as follows:

Any member county *or city* of the district may withdraw its membership after following the procedures defined in subsections (1), (2), and (3) of KRS 108.160. The district shall continue to function after such withdrawals, with its boundaries consisting of the remaining county *or city* members. No county *or city* may withdraw from any district unless it satisfies its part of all contractual obligations assumed by the district prior to the passage of its resolution to the satisfaction of the board.

The Committee Amendment No. 1 to **SB 45** is as follows:

Amend printed copy of **SB 45** on page 1, line 19, by adding after the word "city" the following: "*in a county*";

and on page 4, line 19, by deleting "*in counties containing*"

and on page 4, line 20, by deleting "*a city of the first class*".

SB 172, AN ACT relating to county treasurers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 68.010 is amended to read as follows:

(1) The fiscal court of each county, at its regular *June* [April] term every *two (2)* [four (4)] years, beginning with 1913, shall appoint a county treasurer for a term of *two (2)* [four (4)] years. If for any reason the county treasurer is not appointed at the *June* [April] term, the county judge/executive shall call the fiscal court to meet immediately after the adjournment of the term on a day fixed by order entered on the order book of the court, and the meeting shall be held within two (2) weeks after the adjournment of the *June* [April] term.

(2) *The county treasurer shall take office on the July 1st immediately following his appointment.*

(3) No person is eligible to be county treasurer unless at the time of his appointment he is a citizen of Kentucky, at least twenty-five (25) years old, and has been for the two (2) years next preceding his appointment a resident of the county for which he is appointed. The county treasurer shall take the constitutional oath of office before the fiscal court, and shall execute bond with at least two (2) good sureties, to be approved by the fiscal court. The fiscal court may pay the premium on the bond from county funds.

(4)[(3)] The fiscal court may remove the county treasurer at any time for neglect of duty, incompetency or dishonesty.

(5)[(4)] In the case of a vacancy from any cause in the office of county treasurer, the county judge/executive shall call a special term of the fiscal court to fill the vacancy.

Section 2. KRS 68.020 is amended to read as follows:

(1) The county treasurer shall receive and receipt for all money due the county from its collecting officers or from any other person whose duty it is to pay money into the county treasury, and shall hold such money subject to the order of the fiscal court. He shall not disburse any money received by him for any purpose other than that for which it was collected and paid over to him, and when he pays out money he shall take a receipt therefor. All warrants for the payment of funds from the county treasury shall be co-signed by the county treasurer and the county judge/executive.

(2) He may, and when directed by the fiscal court shall, institute actions in the name of the county against all delinquent sheriffs or collectors of the county, and against anyone having money belonging to the county who fails or refuses to pay it over on demand when due. He shall keep a record of all actions he is directed to institute on behalf of the county, showing their condition and the money collected thereunder.

(3) He shall keep an accurate detailed account of all money received and disbursed by him for the county, and shall keep books of accounts of the financial transactions of the county in the manner required by any uniform system of accounting prescribed by the department for local government.

(4) The county treasurer shall, when required by the fiscal court, settle his accounts as county treasurer, and within thirty (30) days after the close of each fiscal year, he shall, *unless his immediate predecessor has done so,* make a full and complete settlement for the preceding fiscal year with the fiscal court or with a person or persons whom the fiscal court, by order of record, appoints to make settlement with him. In case of a vacancy, the county judge/executive shall call a special term which shall proceed in the manner it deems proper to settle the accounts of the county treasurer.

Section 3. KRS 68.050 is amended to read as follows:

When [As soon as] a new county treasurer has qualified and his bond has been approved, the outgoing county treasurer shall [immediately] vacate the office *by July 1,* deliver to his successor all books, papers and records held by him by virtue of his office, and make a full and complete settlement of his accounts with the fiscal court.

The Committee Amendment No. 1 to **SB 172** is as follows:

Amend General Assembly copy of **SB 172** on page 4, below line 5, by adding the following:

"Section 4. This Act shall become effective April 1, 1982. The county treasurer in office at that time shall retain his office until his successor is chosen and qualified pursuant to Section 1 of this Act."

The Committee on Banking and Insurance reported **HB 839** with Committee Substitute attached thereto, **HB 894** with Committee Substitute attached thereto, **HB 451, HB 627, HB 708, HB 711, HB 713, HB 816, HB 818, HB 850, HB 874, SB 191,** and **SB 170** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 839, AN ACT relating to credit unions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 290 IS CREATED TO READ AS FOLLOWS:

No expenses of a credit union operating in Kentucky shall be paid out of appropriations from the general fund.

Section 2. This Act shall become effective on July 1, 1982.

The Committee Substitute to **HB 839** is as follows:

HB 839, AN ACT relating to credit unions.

WHEREAS, the operation of credit unions with public money represents an unwarranted depletion of the funds of this Commonwealth;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 290 IS CREATED TO READ AS FOLLOWS:

No agency or general fund appropriations shall be used for the operation of a credit union in Kentucky.

HB 894, AN ACT relating to industrial loan corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 291.460 is amended to read as follows:

An industrial loan company organized under KRS 291.410 to 291.600 may:

(1) Lend money and receive interest therefor at a rate of *eight dollars ($8)* [seven dollars ($7)] per one hundred dollars ($100) per annum of the principal amount of the loan not exceeding *ten thousand dollars ($10,000)* [seven thousand five hundred dollars ($7,500)] and require and receive uniform weekly or monthly installment payments. The amount of interest computed as provided in KRS 291.410 to 291.600 may be charged or received in advance or may be added to the principal amount of the loan *or may be partly charged or received in advance and partly added to the principal amount of the loan.* Such loans shall be repayable in substantially equal installments over a period not exceeding *ten (10)* [five (5)] years and thirty-two days, and the principal amount of the loan, (excluding charges) *exclusive of interest charges* shall not exceed *ten thousand dollars ($10,000* [seven thousand five hundred dollars ($7,500)]. *If the maturity of the loan exceeds five (5) years and thirty-two (32) days, the interest may be charged or received in advance for any period not in excess of five (5) years and thirty-two (32) days and shall thereafter be added to the principal amount of the loan.*

(2) Sell or negotiate bonds, notes and certificates of investment for the payment of money at any time, either fixed or uncertain, and receive payments therefor in installments or otherwise; provided, that nothing herein contained shall be construed to create any liability on demand. No certificate holder making loans under KRS 291.410 to 291.600 shall directly or indirectly advertise for or accept deposits, demand or otherwise, except an industrial loan company organized under KRS 291.410 to 291.600 may advertise the sale of certificates of investment as authorized under KRS 291.410 to 291.600.

(3) Charge for a loan made pursuant to this section one dollar ($1.00) for each fifty dollars ($50) or fraction thereof loaned for expenses, including any examination or investigation of the character and circumstances of the borrower, co-maker or surety, and the drawing and taking acknowledgment of necessary papers or other expenses incurred in making the loan. Such charge shall be permitted only on the first two thousand dollars ($2,000) loaned. No charge shall be collected unless a loan has been made as a result of such examination or investigation.

Section 2. KRS 291.480 is amended to read as follows:

In addition to the charge permitted by KRS 291.410 to 291.600, no further amount shall be directly or indirectly charged, contracted for or received on any such installment loan, except lawful fees actually paid to a public official for filing, recording or releasing any instrument securing the loan, delinquency and deferral charges as set out in *subsections* [subsection] (1) *and (3)* of KRS 291.500. Provided, however, that the certificate holder may request, as collateral for any loan, and collect premiums for:

(1) Notwithstanding the provisions of this or any other law:

(a) A certificate holder may request a borrower to insure tangible personal property, except household goods, offered as security for a loan not exceeding *ten thousand dollars ($10,000)* [seven thousand five hundred dollars ($7,500)] under KRS 291.410 to 291.600 against any substantial risk of loss, damage or destruction for any amount not to exceed the actual value of such property or the approximate amount of the loan, whichever is lesser, and for a term and upon conditions which are reasonable and appropriate considering the nature of the property and the maturity and other circumstances of the loan; provided, such insurance is sold by a licensed agent, broker or solicitor.

(b) A certificate holder may also request as security for any loan obligation insurance on the life of the borrower, or one of them if there are two or more. The initial amount of credit life insurance shall not exceed the total amount repayable under the contract of indebtedness and, where an indebtedness is repayable in substantially equal installments, the amount of insurance shall at no time exceed the scheduled or actual amount of unpaid indebtedness, whichever is greater. Not more than one policy of life insurance may be written in connection with any loan transaction under KRS 291.410 to 291.600.

(c) In accepting any insurance provided for by KRS 291.410 to 291.600 as security for a loan the certificate holder, its officers, agents or employes may deduct the premiums or identifiable charge therefor from the proceeds of the loan, and remit such premiums to the insurance company writing such insurance and any gain or advantage to the certificate holder or any employe, officer, director, agent, affiliate or associate from such insurance or its sale, shall not be considered as additional or further charge in connection with any loan made under KRS 291.410 to 291.600. The arranging for and collecting of an identifiable charge shall not be deemed the sale of insurance.

(d) Every insurance policy or certificate written in connection with a loan transaction pursuant to paragraph (b) of this subsection shall provide for cancellation of coverage and a refund of the premium or identifiable charge unearned upon the discharge of the loan obligation for which such insurance is security without prejudice to any claim.

(e) Whenever insurance is written in connection with a loan transaction pursuant to KRS 291.410 to 291.600, the certificate holder shall deliver or cause to be delivered to the borrower a policy, certificate or other memorandum which shall show the coverages and the costs thereof, if any, to the borrower within thirty days from the date of the loan.

(f) All such insurance shall be written by a company authorized to conduct such business in this state and the certificate holder shall not require the purchase of such insurance from any agent or broker designated by the certificate holder nor shall the certificate holder decline existing coverages which equal or exceed the standards of KRS 291.410 to 291.600.

(2) Insurance on real property pledged as security for a loan in an amount not to exceed the actual value of such property or the approximate amount of the loan whichever is lesser.

(3) Accident and health insurance on not less than a fourteen-day retroactive basis, covering one borrower in aggregate amount not to exceed the approximate amount of the loan with each periodic indemnity payment not to exceed the original indebtedness divided by the number of periodic installments; all subject to the general provisions and limitations of KRS 291.410 to 291.600. Premium rates for accident and health insurance written pursuant to KRS 291.410 to 291.600 shall be reasonable in relation to benefits, and shall be filed with the Commissioner of Insurance.

Section 3. KRS 291.500 is amended to read as follows:

(1) Delinquency charges may be made not to exceed five cents for each dollar of each installment more than ten days in arrears, and only one delinquency charge shall be made on any one installment. No delinquency charge shall exceed five dollars on any one installment. [A certificate holder and borrower may agree in writing to a deferral of all or part of one or more unpaid installments, and the certificate holder may make and collect a charge not exceeding a rate of seven dollars per one hundred dollars per annum. In addition to such charges attorneys' fees not exceeding fifteen percent of the unpaid balance and court costs may be collected, provided that the note is referred to an attorney not a salaried employe of the holder for collection.] *No delinquency charge may be collected with respect to a deferred installment unless the installment is not paid in full within ten (10) days after its deferred due date. A delinquency charge may be collected at the time it accrues or at any time thereafter.*

(2) *If two (2) installments or parts thereof of a loan are in default for ten (10) days or more, the certificate holder may elect to convert the loan at any installment due date to a loan in which interest is based upon unpaid balances. The contract balance shall be reduced by the rebate which would be required for prepayment in full on such installment due date, the amount remaining to be deemed the unpaid principal balance. Thereafter the certificate holder may charge interest at a rate not in excess of that disclosed to the borrower in accordance with the truth in lending act, 15USCA1601 et. seq., computed on the unpaid principal balances from time to time outstanding, applying all payments first to charges and the remainder, if any, to principal, until the loan is paid in full. When a contract has been so adjusted, the charges shall not be subject to further rebate nor shall any further delinquency or deferral charges be made on such contract.*

(3) A certificate holder and borrower may agree in writing in the original contract of loan or by a separate agreement to a deferral of all or part of all wholly unpaid installments, and the certificate holder

may make and collect a charge not exceeding the rate of finance charge required to be disclosed to the borrower pursuant to law applied to each amount deferred for the period for which it is deferred computed without regard to differences in lengths of months, but proportionately for a part of a month, counting each day as one-thirtieth (1/30th) of a month. No installment on which a delinquency charge has been collected or on account of which any partial payment has been made, shall be deferred or included in the computation of a deferral charge unless the delinquency charge or partial payment is refunded to the borrower or credited to the deferral charge. Any payment received at the time of deferment may be applied first to the deferral charge and the remainder, if any, applied to the unpaid balance of the contract. The deferral charge shall be excluded in computing any required rebate; however, if a rebate of charges originally added to the principal of the loan is required during a deferment period, then the borrower shall receive a rebate of the portion of the deferral charge applicable to any unexpired full months of the deferment period. The deferral charge may be collected at the time of deferment or at any time thereafter. After a deferment has been made the installment so deferred shall fall due in the same order as provided for by the contract originally and the portion of the charges originally added to the principal of the loan attributable to any such deferred installment shall be the same as was attributable to such installment originally.

(4) In addition to such charges attorneys' fees not exceeding fifteen percent (15%) of the unpaid balance and court costs may be collected, provided that the note is referred to an attorney not a salaried employe of the holder for collection.

(5) The certificate holder shall permit the borrower to repay his loan in whole or in part at any time. If a loan is paid in full prior to maturity, the certificate holder shall make a rebate at a rate not less than in accordance with the Rule of 78s if the maximum financing charge permitted under KRS 291.410 to 291.600 has been taken. If a lesser charge has been taken, the rebate shall be at not less than a proportional rate. Provided, however, the certificate holder shall be permitted in computing rebates to retain a minimum charge of ten dollars to cover its acquisition costs and where the amount of credit for anticipation of repayment is less than one dollar, no rebate need be made.

The Committee Substitute to **HB 894** is as follows:

HB 894, AN ACT relating to industrial loan corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 291.410 to 291.600 IS CREATED TO READ AS FOLLOWS:

An industrial loan company organized under KRS 291.410 to 291.600 in addition to its powers heretofore granted shall be authorized to charge interest on loans or extensions of credit in the same manner and at the same rate as is permitted by KRS 287.215 for banks or trust companies or combined banks and trust companies, and provided further that the principal amount of such loan or extension of credit exclusive of interest or other charges shall not exceed ten thousand dollars ($10,000).

HB 451, AN ACT relating to consumer loans and credit transactions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 367.390 is amended to read as follows:

(1) With respect to a consumer loan or consumer credit transaction, other than one primarily for an agricultural purpose or one pursuant to a revolving loan account or a revolving charge account, if any scheduled payment is more than twice as large as the average of earlier scheduled payments, the debtor has the right to refinance the amount of that payment at the time it is due without penalty. The terms of the refinancing shall be no less favorable to the debtor than the terms of the original loan or consumer credit transaction. These provisions do not apply to the extent that the payment schedule is adjusted to the seasonal or irregular income of the debtor.

(2) Notwithstanding any other provision of this section, this section shall not apply to a consumer loan or consumer credit transaction directly between a debtor and a financial institution in connection with the purchase or construction of residential property where payment of such loan or transaction is secured by a mortgage lien upon such property.

HB 627, AN ACT relating to domestic stock insurers and companies controlling such insurers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.24-410 is amended to read as follows:

(1) Any person proposing to acquire the controlling capital stock of any domestic stock insurer and thereby to change the control of the insurer, other than through merger or consolidation or affiliation as provided for in this subtitle, shall first apply to the commissioner in writing for approval of such proposed change of control. The application shall state the names and addresses of the proposed new owners of the controlling stock or shares and contain such additional information as the commissioner may reasonably require. *As used in this section "domestic stock insurer" means:*

(a) A stock insurance company licensed to transact the business of insurance in this state and incorporated under the laws of this state; or

(b) Any corporation incorporated under the laws of this state or having its principal office or place of business in this state which controls a domestic stock insurer as defined in paragraph (a) of this section.

(2) The commissioner shall not approve the proposed change of control if he finds:

(a) That the proposed new owners are not qualified by character, experience and financial responsibility to control and operate the insurer, or cause the insurer to be operated, in a lawful and proper manner; or

(b) That as a result of the proposed change of control the insurer may not be qualified for a certificate of authority under the provisions of subtitle 3; or

(c) That the interests of the insurer or other stockholders of the insurer or policyholders would be impaired through the proposed change of control; or

(d) That the proposed change of control would tend materially to lessen competition, or to create any monopoly, as to kinds of insurance involved, in this state or elsewhere.

(3) If the commissioner does not by affirmative action approve or disapprove the proposed change of control within thirty (30) days after the date such application was so filed with him, the proposed change may be made without such approval. But if the commissioner gives notice to the parties of a hearing to be held by him with respect to the proposed change of control, and the hearing is held within such thirty (30) days or on a date mutually acceptable to the commissioner and the parties, the commissioner shall have ten (10) days after the conclusion of the hearing within which to so approve or disapprove the proposed change; and if not so approved or disapproved, the change may thereafter be made without the commissioner's approval.

(4) If the commissioner disapproves the proposed change he shall give written notice thereof to the parties, setting forth in detail the reasons for disapproval.

(5) The commissioner may suspend or revoke the certificate of authority of any insurer the control of which has been changed in violation of this section.

HB 708, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.39-110 is amended to read as follows:

(1) The requirement of security for payment of tort liabilities is fulfilled by providing:

(a) Liability coverage of not less than *twenty-five thousand dollars ($25,000)* [ten thousand dollars ($10,000)] for all damages arising out of bodily injury sustained by any one person as a result of any one accident, and not less than *fifty thousand dollars ($50,000)* [twenty thousand dollars ($20,000)] for all damages arising out of bodily injury sustained as a result of any single accident caused by accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(b) Liability coverage of not less than *ten thousand dollars ($10,000)* [five thousand dollars ($5,000)] for all damages arising out of damage to or destruction of property, including the loss of use thereof, as a result of any one accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(c) That the liability coverages apply to accidents during the contract period in a territorial area not less than the United States of America, its territories and possessions, and Canada; and

(d) Basic reparation benefits as defined in KRS 304.39-020(2).

(2) Subject to the provisions on approval of terms and forms, the requirement of security for payment of tort liabilities may be met by a contract the coverage of which is secondary or excess to other applicable valid and collectible liability insurance. To the extent the secondary or excess coverage applies to liability within the minimum security required by this subtitle it must be subject to conditions consistent with the system of required liability insurance established by this subtitle.

(3) Security for a motorcycle is fulfilled by providing only the coverages set forth in subsections (1)(a), (b) and (c) of this section.

HB 711, AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.39-060 is amended to read as follows:

(1) Any person who registers, operates, maintains or uses a motor vehicle on the public roadways of this Commonwealth shall, as a condition of such registration, operation, maintenance or use of such motor vehicle and use of the public roadways, be deemed to have accepted the provisions of this subtitle, and in particular those provisions which are contained in this section.

(2) (a) Tort liability with respect to accidents occurring in this Commonwealth and arising from the ownership, maintenance, or use of a motor vehicle is "abolished" for damages because of bodily injury, sickness or disease to the extent the basic reparation benefits provided in this subtitle are *paid* [payable] therefor, or that would be *paid* [payable] but for any deductible authorized by this subtitle, under any insurance policy or other method of security complying with the requirements of this subtitle, except to the extent noneconomic detriment qualifies under subsection (2)(b) hereof.

(b) In any action of tort brought against the owner, registrant, operator or occupant of a motor vehicle with respect to which security has been provided as required in this subtitle, or against any person or organization legally responsible for his acts or omissions, a plaintiff may recover damages in tort for pain, suffering, mental anguish and inconvenience because of bodily injury, sickness or disease arising out of the ownership, maintenance, operation or use of such motor vehicle [only in the event that the benefits which are payable for such injury as "medical expense" or which would be payable but for any exclusion or deductible authorized by this subtitle exceed one thousand dollars ($1,000), or the injury or disease consists in whole or in part of permanent disfigurement, a fracture to a weight-bearing bone, a compound, comminuted, displaced or compressed fracture, loss of a body member, permanent injury within reasonable medical probability, permanent loss of bodily function or death. Any person who is entitled to receive free medical and surgical benefits shall be deemed in compliance with the requirements of this subsection upon a showing that the medical treatment received has an equivalent value of at least one thousand dollars ($1,000)].

(c) Tort liability is not so limited for injury to a person who is not an owner, operator, maintainer or user of a motor vehicle within subsection (1) of this section, nor for injury to the passenger of a motorcycle arising out of the maintenance or use of such motorcycle.

(3) For purposes of this section and the provisions on reparation obligor's rights of reimbursement, subrogation, and indemnity, a person does not intentionally cause harm merely because his act or failure to act is intentional or done with his realization that it creates a grave risk of harm.

(4) *In any action of tort brought against the owner, registrant, operator, or occupant of a motor vehicle with respect to which security has been provided as required in this subtitle, any person injured may claim his full damages, including nonpecuniary damages. He may also claim basic reparation benefits from the appropriate security on the vehicle as established under KRS 304.39-050. Such provider shall be subrogated to the rights of the injured person to the extent of reparation benefits paid against the owner and operator of the vehicle* [Any person may refuse to consent to the limitations of his tort rights and liabilities as contained in this section. Such rejection must be in writing in a form to be prescribed by the department of insurance and must have been executed and filed with the department at a time prior to any motor vehicle accident for which such rejection is to apply. Such rejection form together with a reasonable explanation thereof shall be furnished by the reparation obligor with each policy to each prospective insurance applicant. Such rejection form shall affirmatively state in bold print that acceptance of this form of insurance denies the applicant the right to sue a negligent motorist unless certain requirements contained in the policy of insurance are met. Rejection by a person who is under legal disability shall be made on behalf of such person by his legal guardian or his natural parent. The failure of such guardian or a natural parent of a person under legal disability to file a rejection, within six (6) months from the date that this subtitle would otherwise become applicable to such person, shall be deemed to be an affirmative acceptance of all provisions of this subtitle. Provided, however, any person who, at the time of an accident, who does not have basic reparation insurance but has not formally rejected such limitations of his tort rights and liabilities and has at such time in effect security equivalent to that required by KRS 304.39-110 shall be deemed to have fully rejected such limitations within meaning of this section for that accident only.

(5) Any rejection must be filed with the department of insurance and shall be for a period of five (5) years from the date of its execution unless revoked in writing. A copy of such rejection or revocation must be filed with each insurance company providing an automobile policy under which the individual is a named insured as defined in the policy.

(6) Every insurance company when issuing an automobile policy to a resident of this Commonwealth must inform the buyer in writing in a form to be prescribed by the insurance commissioner of his right to reject the limitations of his tort rights and liabilities under this subtitle in the manner provided in subsections (4) and (7) of this section.

(7) Any rejection shall result in the full retention by the individual of his tort rights and his tort liabilities. Any person injured by a motor vehicle operator who has such rejection on file may claim his full damages, including nonpecuniary damages, or, if such injured person has not rejected his own tort limitations, he may also claim basic reparation benefits from the appropriate security on the vehicle as established under KRS 304.39-050. If such provider of security is other than the one providing security for the operator who has rejected the limitations, such provider shall be subrogated to the rights of the injured person to the extent of reparation benefits paid against the owner and operator of the vehicle.

(8) No person who has rejected the tort limitations under this section, except as provided in subsection (9) of this section or KRS 304.39-140(5), may collect basic reparation benefits.

(9) Any owner or operator of a motorcycle, as defined in Kentucky Revised Statutes, may file a rejection as described in subsections (4) and (5), which will apply solely to the ownership and operation of a motorcycle but will not apply to injury resulting from the ownership, operation or use of any other type of motor vehicle].

HB 713, AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.39-050 is amended to read as follows:

(1) The basic reparation insurance applicable to bodily injury to which this subtitle applies is the security covering the vehicle occupied by the injured person at the time of the accident or, if the injured person is a pedestrian, the security covering the vehicle which struck such pedestrian. If the reparation obligor providing such insurance fails to make payment for loss within thirty (30) days after receipt of reasonable proof of the fact and the amount of loss sustained, the injured person shall be entitled to payment under any contract of basic reparation insurance under which he is a basic reparation insured and the insurer making such payments shall be entitled to full reimbursement from the reparation obligor providing the security covering the vehicle. A pedestrian, as used herein, means any person who is not making "use of a motor vehicle" at the time his injury occurs.

(2) If there is no security covering the vehicle, any contract of basic reparation insurance under which the injured person is a basic reparation insured shall apply.

[(3) No person shall recover basic reparation benefits from more than one reparation obligor as a result of the same accident, except as provided in KRS 304.39-140(4) nor in excess of ten thousand dollars ($10,000) as the result of the same accident.]

HB 816, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304 SUBTITLE 2 IS CREATED TO READ AS FOLLOWS:

(1) The commissioner shall review all written complaints that a health insurer doing business in Kentucky has denied a claim of an insured.

(2) The commissioner shall send a copy of the complaint to the insurer and request a written reply be sent to the commissioner within ten (10) days.

(3) Upon review of a complaint the commissioner shall notify in writing the insurer and the insured that:

(a) the insurer shall pay the claim, or

(b) the insurer rightfully denied the claim.

HB 818, AN ACT relating to petty loan companies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 288.420 is amended to read as follows:

No person shall, without first obtaining a license from the commissioner, engage in the business of making loans in the amount or of the value of *$2,000* [$1,200] or less at a greater rate of interest, or consideration therefor than 6 per cent per annum.

Section 2. KRS 288.530 is amended to read as follows:

(1) Every licensee may lend any sum of money not exceeding *$2,000* [$1,500], excluding charges, and may charge, contract for and receive thereon charges not in excess of three percent (3%) per month on that part of the unpaid principal balance not in excess of *$600* [$500] and two percent (2%) per month on that part of the unpaid principal balance exceeding *$600* [$500] but not exceeding *$1,500* [$1,200] and one and one-half percent (1 ½%) per month on that part of the unpaid principal balance exceeding *$1,500* [$1,200] but not exceeding *$2,000* [$1,500]. Such *charges* [rates] shall be computed *in advance at the agreed rate* on scheduled unpaid principal balances of the cash advance *on the assumption that all scheduled payments will be made when due* [for the full term of the loan contract]. *The total amount of such precomputed* [Such] charges shall be added to the *original* cash advance and the resulting sum shall become the face amount of the note. *Every payment may be applied to the combined total of the cash advance and precomputed charges until the contract is paid in full.*

(2) For the purposes of computation, whether at the maximum rate or less, a month shall be that period of time from any date in a month to the corresponding date in the next month and if there is no such corresponding date then to the last day of such month, and a day shall be considered one-thirtieth (1/30) of a month when such computation is made for a fraction of a month. The portion of the charges applicable to any particular monthly instalment period, as originally scheduled or following a deferment, shall bear the same ratio to the total charges, excluding any adjustments made pursuant to subsection (3) of this section, as the balance scheduled to be outstanding during that monthly period bears to the sum of all monthly balances scheduled originally by the contract of loan.

(3) A licensee and borrower may agree that the first instalment date may be not more than fifteen (15) days more than one (1) month and the amount of such instalment may be increased by one-thirtieth (1/30) of the portion of the charges applicable to a first instalment period of one (1) month for each extra day.

(4) If one-half (½) or more of any instalment remains unpaid more than seven (7) days after it is due, the licensee may charge and collect a default charge not exceeding two cents (2¢) for each dollar of the scheduled instalment, and such charge may be collected for each full month thereafter the instalment remains unpaid.

(5) If the payment of all wholly unpaid instalments on which no default charge has been collected is deferred one or more full months, the licensee may charge and collect a deferment charge not exceeding two cents (2¢) for each one dollar ($1.00) of the sum of the instalment so deferred, multiplied by the number of months the maturity of the contract is extended; Provided, however, That such number of months shall not exceed the number of instalments which are due and wholly unpaid or due within fifteen (15) days from the date of deferment. The deferment charge may be collected at the time of deferment or at any time thereafter. Any payment received at the time of deferment may be applied first to the deferment charge and the remainder, if any, applied to the unpaid balance of the contract, provided, however, that if such payment is sufficient to pay, in addition to the appropriate deferment charge, any instalment which is in default and the applicable default charge, it shall be first so applied and any such instalment shall not be deferred or subject to the deferment charge. At the time a deferment is made the borrower shall be given a statement or receipt showing the amount of the deferment charge, the date and amount of the next scheduled payment and the number of remaining scheduled payments.

(6) If the contract of loan is prepaid in full by cash, a new loan or otherwise before the final instalment date, the portion of the charges applicable to the full instalment periods following the instalment date nearest the date of prepayment shall be refunded. Any default or deferment charges which are due and unpaid may be deducted from such refund. The tender by the borrower or at his request of an amount equal to the unpaid balance less the required refund must be accepted by the licensee in full payment of the contract. If judgment is obtained before the final instalment date the contract balance shall be reduced by the refund which would be required for prepayment in full as of the date judgment is obtained. No refund of less than one dollar ($1.00) need be made; no refund for partial prepayments need be made.

(7) If two (2) or more full instalments are in default for one (1) full month or more at any instalment date and if the contract so provides, the licensee may reduce the contract balance by the refund or credit which would be required for prepayment in full on such instalment date. Thereafter, in lieu of charging, collecting or receiving charges as provided in subsections (1) to (6) inclusive of this section, charges may be charged, collected and received as provided by subsection (8) of this section until the contract is fully paid.

(8) In lieu of computing and collecting charges as provided in subsections (1) to (6) inclusive of this section a licensee may contract for, collect and receive on loans of *$2,000* [$1,500] or less charges as permitted in subsection (1) computed on the unpaid principal balance of the loan *from time to time outstanding*

[at the time of payment]. Such charges shall not be paid, deducted, received in advance or compounded but shall be computed, collected and received only on unpaid principal balances for the time actually outstanding. The definition of a month and of a day in subsection (2) of this section shall apply for the purposes of such computations.

(9) If part or all of the consideration for a contract of loan is the unpaid principal balance of a prior loan with the same licensee then the principal amount payable under such contract of loan shall not include any unpaid charges on the prior loan except such charges which have accrued within sixty (60) days before the *making* [mailing] of such new contract of loan and may include the balance remaining after giving the refund required by subsection (6) of this section.

(10) In addition to the charges provided for in this chapter no further charge or amount whatsoever for any examination, service, brokerage, commission, expense, fee, or bonus or other thing shall be directly or indirectly charged, contracted for, or received, except the lawful fees actually and necessarily paid out by the licensee to any public official for filing, recording or releasing in any public office any instrument securing the loan; the identifiable charge of premium for insurance provided for in KRS 288.560; or fees for noting or releasing a lien on or transferring a certificate of title to any motor vehicle offered as security for a loan made under this chapter. If any amount in excess of the amounts authorized by this chapter is charged, contracted for or received, except as the result of an accidental or bona fide error, [the contract of loan shall be void and] the lender shall have no right to collect or receive any [principal,] charges [or recompense] whatsoever.

(11) No licensee shall induce or permit any borrower to split up or divide any loan nor permit any one borrower [or any husband or wife individually or together] to become indebted to him under more than one contract of loan at the same time if the actual amount of the indebtedness on any one of such contracts is in the amount or of the value of *$2,000* [$1,500] or less and there is charged, contracted for, or received thereon, directly or indirectly, by any device, subterfuge, or pretense whatsoever, any interest, or consideration therefor greater than would otherwise be permitted by this chapter.

(12) No licensee shall directly or indirectly charge, contract for or receive any interest or consideration greater than the lender would be permitted by law to charge if he were not a licensee hereunder upon any loan in the amount or of the value of more than *$2,000* [$1,500] excluding charges, or in any case in which the licensee permits any individual as borrower, indorser, guarantor, or surety for any borrower, or otherwise, to owe on any loan or loans directly or contingently, or both, to the licensee at any time the sum of more than *$2,000* [$1,500] for principal, excluding charges.

Section 3. KRS 288.570 is amended to read as follows:

(1) The payment of *$2,000* [$1,200] or less in money, credit, goods, or things in action, as consideration for any sale, assignment, or order for the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, shall be deemed for the purposes of regulation under this chapter, a loan secured by such assignment, and the amount by which such assigned compensation exceeds the amount of such consideration actually paid shall be deemed for the purposes of regulation under this chapter interest or charges upon such loans from the date of payment to the date such compensation is payable. Such transaction shall be governed by and subject to the provisions of this chapter.

(2) No assignment of or order for payment of any salary, wages, commissions, or other compensation for services, earned or to be earned, when taken as security for any loan made under this chapter, shall be valid unless the amount of the loan is paid to the borrower simultaneously with its execution. Under any assignment of or order for the payment of future salary, wages, commissions, or other compensation for services given as security for a loan made under this chapter, there shall not at any time be collectible from the employer of the borrower more than ten per cent (10%) of the amount then owing the borrower for any such salary, wages, commissions or other compensation for services.

Section 4. KRS 288.620 is amended to read as follows:

(1) No person, except as authorized by statute shall directly or indirectly by any device, subterfuge or pretense whatsoever, charge, contract for or receive or participate as agent, broker or in any other capacity in charging, contracting for or receiving any interest, discount or consideration greater than 6 per cent per annum upon any loan in the amount of or the value of *$2,000* [$1,200].

(2) Any loan in the amount of *$2,000* [$1,200] or less for which there has been charged, contracted for or received a greater rate of interest, discount or consideration, except as provided for by statute, is against the public policy of this state.

(3) No such loan made outside this state shall be enforced in the state and every person participating therein in this state shall be subject to the provisions of this chapter, but this section does not apply to loans legally made in any state, country, commonwealth, territory or district.

HB 850, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.2-190 is amended to read as follows:

(1) The commissioner may have the directory of authorized insurers, of licensed insurance representatives, license examination material, insurance laws and related laws and regulations under his administration published in pamphlet form from time to time, and may fix a price for each copy *not to exceed one hundred twenty-five percent (125%) of the actual cost of production* [to cover cost of printing and mailing].

(2) The commissioner shall account for and deposit all moneys so received in the manner provided under KRS 304.4-020.

Section 2. KRS 304.4-010 is amended to read as follows:

The commissioner shall collect in advance, and persons so served shall pay in advance to the commissioner, fees, licenses and miscellaneous charges as follows:

(1) Annual statement of insurer:	
(a) Filing each year	$ 50.00
(b) Filing additional or supplemental statement in same year	50.00
(2) For filing charter documents:	
(a) Original charter document, bylaws and records of organization of insurer, or certified copies thereof, required to be filed	50.00
(b) Amended charter documents, or certified copy thereof	10.00
(3) Certificate of authority:	
(a) Issuance of original certificate	200.00
(b) Amending, to add a line	10.00
(c) Renewal, each year	100.00
(4) Organization of domestic mutual insurers:	
Filing application for solicitation permit and issuance of such permit	100.00
(5) Agent's licenses, foreign and alien insurers:	
(a) License for life insurer, whether or not health insurance is included, each year	*20.00*[5.00]
(b) License for industrial life insurer, only, each year	*20.00*[5.00]
(c) License for other insurance, each insurer represented, each year	*20.00*[5.00]
(d) Limited license as travel insurance agent, each year	*20.00*[5.00]
(e) Temporary license as property and casualty agent	*20.00*[5.00]
(f) Temporary license as life and health agent	*20.00*[5.00]
(g) Nonresident agent, each year	*25.00*[10.00]
(6) Surplus lines broker, each year	50.00
(7) Solicitor's license, each year	15.00
(8) Adjuster's license, each year	25.00
(9) Consultant's license, each year	25.00
(10) Examination, for or in connection with licensing of agents, solicitors and adjusters:	
(a) Each examination first line	*50.00*[10.00]
(b) Each additional line	*20.00*[5.00]
(c) Re-examination of each line	*20.00*[5.00]
(11) Miscellaneous services:	
(a) Filing other documents, each	2.00
(b) Commissioner's certificate under seal, other than certificates, licenses, and other documents above provided for, each	2.00
(c) For copies of any document on file with the commissioner, per page	*50*[.25]
(d) Copy of annual statements, per page	1.00
(e) Service of process on commissioner	5.00
[(f) Copy of agent's study manual	$10.00
(g) Copy of Kentucky insurance laws	5.00]

HB 874, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.12-030 is amended to read as follows:

(1) As used in this section:

(a) "Replacement" means any transaction in which new life insurance is to be purchased and by reason of such transaction existing life insurance has been or is to be:

1. Lapsed, forfeited, surrendered, or otherwise terminated; or

2. Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values; or

3. Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid; or

4. Reissued with any reduction in cash value; or

5. Pledged as collateral or subjected to borrowing, whether in a single loan or under a schedule of borrowing over a period of time for amounts in the aggregate exceeding twenty-five percent (25%) of the loan value set forth in the policy.

(b) "Existing insurer" means the insurance company whose existing life insurance policy is or will be terminated or otherwise affected in a replacement transaction.

(c) "Replacing insurer" means the insurance company that issues new life insurance in a replacement transaction.

(d) "Existing life insurance" means any life insurance in force including life insurance under a binding or conditional receipt or a life insurance policy that is within an unconditional refund period, but excluding life insurance obtained through the exercise of a dividend option.

(2) Any person who solicits an application for new life insurance on the life of another and who knows, or with the exercise of reasonable inquiry should know, that such insurance will be purchased or otherwise acquired in a replacement transaction shall not issue new life insurance to the applicant until thirty (30) days after notice of such proposed replacement together with a copy of all soliciting material shown or delivered to the proposed insured has been delivered by the replacing insurer to the existing insurer.

(3) No replacing insurer shall issue any life insurance in a replacement transaction to replace existing life insurance unless the replacing insurer shall agree in writing with the insured that:

(a) The new life insurance issued by the replacing insurer will not be contestable by it in the event of such insured's death to any greater extent than the existing life insurance would have been contestable by the existing insurer had such replacement not taken place; and

(b) The new life insurance issued by the replacing insurer may be voluntarily surrendered by the insured at any time within forty-five (45) days after its delivery to the insured in exchange for a full refund of premiums paid by the replacing insurer to the insured.

(4) Unless otherwise specifically included, subsections (2) and (3) of this section shall not apply to:

(a) Annuities;

(b) Individual credit life insurance;

(c) Group life insurance, group credit life insurance, and life insurance policies issued in connection with a pension, profit-sharing or other benefit plan qualifying for tax deductibility of premiums, provided, however, that as to any plan described in this subsection, full and complete disclosure of all material facts shall be given to the administrator of any plan to be replaced;

(d) Variable life insurance under which the death benefits and cash values vary in accordance with unit values of investments held in a separate account;

(e) An application to the existing insurer that issued the existing life insurance and a contractual change or conversion privilege is being exercised;

(f) Existing life insurance that is a non-convertible term life insurance policy which will expire in five years or less and cannot be renewed; or

(g) Proposed life insurance that is to replace life insurance under a binding or conditional receipt issued by the same company.

(5) No person shall make or issue, or cause to be made or issued, any written or oral statement *of a material fact which is untrue or omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they were made, not misleading with respect to* [misrepresenting or making incomplete] comparisons as to the terms, conditions, or benefits contained in any policy for the purpose of inducing or attempting or tending to induce the policyholder to lapse, forfeit, borrow against, surrender, retain, exchange, modify, convert, or otherwise affect or dispose of any insurance policy.

SB 191, AN ACT relating to credit unions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 290.200 is amended to read as follows:

(1) A credit union may lend its funds to its members at rates of interest not exceeding one *and one-half (1 ½%) per cent* [(1%)] per month on the unpaid balance of the loan, which amount shall be in lieu

of all other charges incident to the making of the loan, except fines for delinquent payments, and in case of secured loans, premiums incurred in the carrying of insurance against the loan, mortgage recording fees, title examination fees, and such other reasonable charges as are necessarily incident to the effective protection of the loan by the security offered.

(2) In the case of a temporary loan, a credit union may charge a fee of up to five dollars ($5).

(3) The legal rate of interest provided by KRS 360.010 shall apply to any loan secured by first lien or first mortgage on real estate and no greater rate of interest shall be charged on such loans.

Section 2. KRS 290.230 is amended to read as follows:

(1) A credit union may make loans, including temporary loans, to its members for provident and productive purposes, and upon such security and terms as the bylaws provide. No loan shall be made to any member which causes such member to become indebted to the credit union in an aggregate amount, upon loans made to such member, which is in excess of two hundred dollars ($200) or 10 per cent (10%) of the credit union's paid-in unimpaired capital and surplus, whichever is greater, or in excess of *five thousand dollars ($5,000)* [two thousand five hundred dollars ($2,500)] unless such excess over *five thousand dollars ($5,000)* [two thousand five hundred dollars ($2,500)] is adequately secured. For the purposes of this section, an assignment of shares or the indorsement of a note shall be deemed security.

(2) A member who needs funds with which to purchase necessary supplies for current crops may receive a loan payable in periodic payments rather than fixed monthly instalments.

(3) No officer, member of the board of directors, or member of the credit or supervisory committee shall borrow more than the amount of his investment in the credit union, as represented by fully paid shares and accumulated dividends unless so authorized by the members of the credit union at an annual meeting, or at a special meeting called for such purpose, except that any director, or member of a credit committee or a supervisory committee may borrow up to the unsecured loan limit applicable to all members without authorization from the members. If an application for a loan is made by a member of the credit committee, then the supervisory committee shall appoint a substitute to act in the place of the prospective borrower in the consideration of such loan. No director, officer, or member of the credit or supervisory committee shall become an indorser for a borrower, unless so authorized by the members of the credit union at an annual meeting, or at a special meeting called for that purpose.

(4) A borrower may repay the whole or any part of his loan on any day that the office of the credit union is open for business.

(5) No officer or member of a committee shall knowingly permit or participate in making a loan of the funds of a credit union to a nonmember; the credit union may recover such illegal loan from the borrower, or from any officer or any member of a committee who knowingly committed or participated in the making thereof, or from all of them jointly.

(6) For failure by any member of a credit union to meet promptly his payments on loans when due, charges may be imposed upon the delinquent member as provided in the bylaws but any such charges shall not exceed five (5) cents for one dollar ($1) of each installment more than ten (10) days in arrears, and only one delinquency charge shall be made on any one installment. No delinquency charge shall exceed five dollars ($5) on any one installment.

SB 170, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 1, IS CREATED TO READ AS FOLLOWS:

"Investment income" means the actual net income earned on unearned premium reserves and loss reserves.

Section 2. KRS 304.13-040 is amended to read as follows:

(1) Every insurer shall file with the board, *and the attorney general* except as to inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated.

(2) Every insurer offering workmen's compensation insurance coverage to employers in this state or rating organization acting on behalf thereof shall on or before July 1 of each year file with the board *and the attorney general* every revised manual, minimum, class rate, rating schedule or rating plan and every other revised rating rule or classification and every modification thereof which it proposes to use. Nothing herein shall be construed to prohibit more than one such filing in any twelve (12) month period.

(3) The board shall require the insurer to furnish the information upon which it supports the filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing shall include:

(a) The experience of the insurer or rating organization making the filing,

(b) Its interpretation of any statistical data it relies upon,

(c) The experience of other insurers or rating organizations,

(d) The data and records upon which the filing is based including, in the case of filings made by rating organizations, the reports of the member insurers to such rating organizations upon which the filing is based,

(e) The actual and incurred losses for the preceding calendar year and the most recent policy year loss data for the most recent three-year period for which such information is available,

(f) The premium income, received and earned during the preceding calendar year and the most recent policy year premium income for a three-year period for which such information is available,

(g) The actual and accrued expenses of the insurers for each of the three preceding calendar years, and

(h) Any other relevant factors.

(4) A filing and any supporting information shall be open to public inspection after the filing becomes effective, except as provided in subsection (4) of KRS 304.13-050. Specific inland marine rates on risks specifically rated, made by a rating organization, shall be filed with the board, and shall become effective when filed and shall be deemed approved and in compliance with the requirements of this subtitle until such time as the board rejects the filing.

(5) Any requested rate increases must be offset by the investment income earned in the preceding calendar year.

Section 3. KRS 304.13-050 is amended to read as follows:

(1) The board shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the applicable requirements of this subtitle.

(2) Subject to the exception specified in subsection (3) of KRS 304.13-040 with reference to specific inland marine rates made by a rating organization, and subsections (3) and (4) of this section, each filing shall be on file for a waiting period of thirty (30) days before it becomes effective, which period may be extended by the board for an additional period not to exceed thirty (30) days if it gives written notice within such waiting period to the insurer or rating organization which made the filing that it needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the board may authorize a filing which it has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of this subtitle unless disapproved by the board within the waiting period or any extension thereof.

(3) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of this subtitle until such time as the board rejects the filing.

(4) The board may, when it deems it to be in the public interest, *and shall upon request of the attorney general made to the board within fifteen (15) days from the date such filing is initially received by the attorney general,* hold a public hearing on any filing before said filing becomes effective to determine whether or not the filing meets the requirements of this subtitle. Upon receipt of any filings respecting workmen's compensation insurance the board shall cause the filing and supporting information and reports to be examined by an independent actuary who shall submit a written report for public inspection containing his evaluation and findings to the board. The board shall hold a public hearing on all such filings not less than thirty (30) days after receipt of the report of the actuary. The board, any party or intervenor may request in writing at least ten (10) days prior to the public hearing that any rating rule or classification or any modification thereof in effect on the date of the filing be reviewed at the public hearing and the board shall so order. When the board has determined that a hearing shall be held relative to any filing, the filing and any supporting information filed therewith shall be open to public inspection immediately upon the giving of notice as required by this subsection. Before such hearing the rating organization or insurer making such filing shall be given ten (10) days' written notice of the time and place of such hearing, and the public shall be given notice by publication pursuant to KRS chapter 424. The board shall promulgate reasonable regulations to prevent the avoidance of normal expirations and renewal dates of policies, or contracts of insurance, that may be affected by such filings. In the event that a hearing is held under the provisions of this subsection the waiting periods specified in subsection (2) of this section shall not begin to run until thirty (30) days after the close of such hearing.

(5) In the review of any filing made pursuant to KRS 304.13-040 either prior to its becoming effective, or upon a subsequent review as provided for in KRS 304.13-080, the burden of establishing that the filing under consideration meets the requirements of this subtitle shall be on the insurer or rating organization which makes such filing.

(6) The public hearings shall be conducted in accordance with the Kentucky Rules of Civil Procedure and the formal rules of evidence shall apply.

The Committee Substitute to **SB 170** is as follows:

SB 170, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.13-040 is amended to read as follows:

(1) Every insurer shall file with the board, *and a copy thereof with the attorney general,* except as to inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated.

(2) Every insurer offering workmen's compensation insurance coverage to employers in this state or rating organization acting on behalf thereof shall on or before July 1 of each year file with the board, *and a copy thereof with the attorney general,* every revised manual, minimum, class rate, rating schedule or rating plan and every other revised rating rule or classification and every modification thereof which it proposes to use. Nothing herein shall be construed to prohibit more than one such filing in any twelve (12) month period.

(3) The board shall require the insurer to furnish the information upon which it supports the filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing shall include:

(a) The experience of the insurer or rating organization making the filing,

(b) Its interpretation of any statistical data it relies upon,

(c) The experience of other insurers or rating organizations,

(d) The data and records upon which the filing is based including, in the case of filings made by rating organizations, the reports of the member insurers to such rating organizations upon which the filing is based,

(e) The *paid* [actual] and incurred losses for the preceding calendar year and the most recent policy *or calendar/accident* year loss data for the most recent three-year period for which such information is available,

(f) The premium income, *written* [received] and earned during the preceding calendar year and the most recent policy *or calendar/accident* year premium income for a three-year period for which such information is available,

(g) The *paid* [actual] and accrued expenses of the insurers for each of the three preceding calendar years, [and]

(h) *The investment income earned during each of the three preceding calendar years, together with an exhibit demonstrating the company's opinion of the extent to which such investment income can reasonably be expected to be earned during the period in which such rate filing will be in use, and,*

(i) Any other relevant factors.

(4) A filing and any supporting information shall be open to public inspection after the filing becomes effective, except as provided in subsection (4) of KRS 304.13-050. Specific inland marine rates on risks specifically rated, made by a rating organization, shall be filed with the board, and shall become effective when filed and shall be deemed approved and in compliance with the requirements of this subtitle until such time as the board rejects the filing.

(5) As used in this subtitle, "Investment Income" means the rate of return received on invested assets, applied to average unearned premium reserves and average loss reserves; provided, however, that recognition shall be given to an insurer's needs for appropriate net income to achieve and maintain capital and financial growth in order to meet future marketing needs.

(6) Any requested rating change shall recognize anticipated investment income as an offset to anticipated rate need.

Section 2. KRS 304.13.050 is amended to read as follows:

(1) The board shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the applicable requirements of this subtitle.

(2) Subject to the exception specified in subsection (3) of KRS 304.13-040 with reference to specific inland marine rates made by a rating organization, and subsections (3) and (4) of this section, each filing shall be on file for a waiting period of thirty (30) days before it becomes effective, which period may be

extended by the board for an additional period not to exceed thirty (30) days if it gives written notice within such waiting period to the insurer or rating organization which made the filing that it needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the board may authorize a filing which it has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of this subtitle unless disapproved by the board within the waiting period or any extension thereof.

(3) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of this subtitle until such time as the board rejects the filing.

(4) The board may, when it deems it to be in the public interest, *and shall upon request of the attorney general made to the board within fifteen (15) days from the date such filing is initially received by the attorney general,* hold a public hearing on any filing before said filing becomes effective to determine whether [or not] the filing meets the requirements of this subtitle. Upon receipt of any filings respecting workmen's compensation insurance the board shall cause the filing and supporting information and reports to be examined by an independent actuary who shall submit a written report for public inspection containing his evaluation and findings to the board. The board shall hold a public hearing on all such filings not less than thirty (30) days after receipt of the report of the actuary. The board, any party or intervenor may request in writing at least ten (10) days prior to the public hearing that any rating rule or classification or any modification thereof in effect on the date of the filing be reviewed at the public hearing and the board shall so order. When the board has determined that a hearing shall be held relative to any filing, the filing and any supporting information filed therewith shall be open to public inspection immediately upon the giving of notice as required by this subsection. Before such hearing the rating organization or insurer making such filing shall be given ten (10) days' written notice of the time and place of such hearing, and the public shall be given notice by publication pursuant to KRS chapter 424. The board shall promulgate reasonable regulations to prevent the avoidance of normal expirations and renewal dates of policies, or contracts of insurance, that may be affected by such filings. In the event that a hearing is held under the provisions of this subsection the waiting periods specified in subsection (2) of this section shall not begin to run until thirty (30) days after the close of such hearing.

(5) In the review of any filing made pursuant to KRS 304.13-040 either prior to its becoming effective, or upon a subsequent review as provided for in KRS 304.13-080, the burden of establishing that the filing under consideration meets the requirements of this subtitle shall be on the insurer or rating organization which makes such filing.

(6) The public hearings shall be conducted in accordance with the Kentucky Rules of Civil Procedure and the formal rules of evidence shall apply.

The Committee on Health and Welfare reported **HB 920** with Committee Amendment attached thereto, **SB 39,** and **SB 58** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 920, AN ACT relating to services for blind persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 163.450 is amended to read as follows:

The purpose of KRS 163.450 to 163.470 is to provide for a separate and specialized agency for the blind to provide for and improve the rehabilitation of the blind and visually impaired citizens of the Commonwealth of Kentucky in order that they may increase their [social and] economic well-being and the productive capacity of the Commonwealth and the nation.

Section 2. KRS 163.460 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Bureau" means the bureau for the blind.

(2) "Legally blind" means a visual acuity of 20/200 or less in the better eye with correction or a visual field of 20 degrees or less.

(3) "Visually impaired" means a *medically or optometrically diagnosed condition of the eye which for the individual results in a handicap to employment* [visual acuity of 20/60 or less in the better eye with the correction or when the visual field is limited to 60 degrees or less].

(4) "Executive director" means the executive director of the bureau for the blind.

Section 3. KRS 163.470 is amended to read as follows:

(1) There is created within the education and the arts cabinet the bureau for the blind.

(2) The executive director shall be appointed by the governor upon the recommendation of the secretary of the education and the arts cabinet to whom he shall be directly responsible.

(3) The bureau shall be the state agency responsible for all rehabilitation services for the blind and the visually impaired and other services as deemed necessary. The bureau shall be the agency authorized to *expend* [receive] all state and federal funds designated for rehabilitation services for the blind and visually impaired. The *office of the secretary of the education and the arts cabinet is authorized as the state agency to receive all state and federal funds and* [bureau is, also, authorized to receive] gifts and bequests for the benefit of rehabilitation services for the blind and visually impaired.

(4) *The governor shall appoint a citizens advisory committee of not more than fifteen (15) persons to advise the bureau and the executive director on needed services and programs for the vocational rehabilitation of blind and visually impaired persons. The committee should represent all geographic areas of the state. Members shall include at least one (1) representative from each of the known organizations for the blind chosen from a list of three (3) candidates provided by each organization. No bureau employe shall be a voting member of the committee but the executive director shall serve as an ex officio member. The governor shall appoint the committee chairperson. The governor shall appoint five (5) members for a one (1) year term, five (5) members for a two (2) year term and five (5) members for a three (3) year term on the original advisory committee. At the expiration of each of these terms, successors shall be appointed for three (3) year terms. No member shall serve more than two (2) consecutive terms. The advisory committee shall meet at least two (2) times each year.* [All records, equipment and personnel presently under the division of vocational rehabilitation services for the blind which includes the Kentucky business enterprises program and the Kentucky industries and rehabilitation center for the blind, and the division of special and technical aids for the blind, under the jurisdiction of the bureau of rehabilitation services, department of education, shall be transferred to the bureau. All funds budgeted to the division of vocational rehabilitation services for the blind, the Kentucky business enterprises program, the Kentucky industries and rehabilitation center for the blind and the division of special and technical aids for the blind shall be transferred to the bureau. The state treasurer is designated as the custodian of all funds and shall make disbursements for rehabilitation purposes upon certification by the executive director.

(5) The bureau shall establish a citizens advisory committee of not less than fifteen (15) persons nor more than thirty (30) persons. There shall be state-wide representation. Leaders of the known organizations of the blind shall be included. The advisory committee shall advise the bureau and the executive director. No bureau employe shall be a member of the committee.] Members of the committee shall serve without compensation, but shall be reimbursed for actual expenses incurred in service on the committee.

[(6) The bureau shall establish and implement policies and procedures for the carrying out of the program of services for the blind.]

(5)[(7)] At the close of each fiscal year, the bureau shall prepare a financial report and present it to the secretary of the education and the arts cabinet and to the governor. The annual report shall be published. The annual report shall, also, contain a precise review of the work of the bureau and contain necessary suggestions for improvement.

(6)[(8)] The bureau shall coordinate its functions with other appropriate public and private agencies.

(7)[(9)] The bureau shall perform all other duties as required of it by law.

(8)[(10) There shall be created under the authority of the bureau an office of the ombudsman to hear client grievances.] A complaint review and hearing process shall be established by the bureau [and administered by the ombudsman]. This process shall be explained to all bureau clients during their first contact with the agency.

(9)[(11)] The executive director shall hire personnel as necessary to carry out the work of the bureau and the provisions of KRS 163.450 to 163.470. *Consideration* [Preference] shall be given to hiring qualified blind persons. Hiring and promotional personnel practices shall not be discriminatory because of age, sex, race, physical disability or national origin. [Bureau employes shall receive compensation and travel expenses as allowed other employes of the Commonwealth.]

(10)[(12)] *The bureau shall provide services needed for the vocational rehabilitation and economic well being of the blind and visually impaired persons of the Commonwealth of Kentucky.* [There shall be created under the authority of the bureau, to be directed by the executive director, a division of field services which shall provide intake and rehabilitation counseling services.

(13) There shall be created under the authority of the bureau, to be directed by the executive director, a division of technical services which shall distribute or sell technical aids, talking book machines, educational aids and other aids to the blind. This division shall provide educational materials such as recorded texts, braille or large type texts or such other materials as may be deemed necessary for the education of the blind. This division shall conduct research into the development of new technical and educational aids for the blind.]

(11)[(14)] There shall be established under the authority of the bureau to be directed by the executive director, a [division of] business enterprises *program*. This *program* [division] shall include the vending

facilities program and shall promote the development of other small businesses. In connection therewith the bureau shall be authorized to own, lease, manage, supervise and operate vending facilities and other business enterprises for use or benefit of blind persons in federal, state, private and other buildings. The share of expenses of this program to be charged to each enterprise shall not exceed three percent of the gross receipts of such enterprise above the amount of one hundred twenty-five dollars ($125) gross sales per week, the first one hundred twenty-five dollars ($125) per week being exempt from any such fee. One or more facility placement agents shall be employed to locate and establish additional vending facilities. The bureau for the blind shall make such surveys as may be deemed necessary to determine the vending facility opportunities for blind persons in state buildings or on other property owned, leased or otherwise occupied by the state government and may install vending facilities in suitable locations on such property for the use of the blind. All of the net income from vending machines which are on the same property as a vending facility shall be paid to the blind operator of the vending facility. Whenever there exists a conflict of interest between state agencies seeking to vend merchandise on the same state property, the agencies shall negotiate a fair agreement which will protect the interest of both from unreasonable competition. Such agreements shall be submitted to the custodial authority having jurisdiction over the property for approval. Provided, however, that in all situations the operator shall be permitted to vend all items of merchandise customarily sold at similar vending facilities. *The bureau shall perform at least three (3) unannounced audits on three (3) vending facilities selected at random each year.*

[(15) There shall be established under the authority of the bureau, to be directed by the executive director, a division of the rehabilitation center for the blind which shall provide mobility training, work evaluation, personal adjustment and other services as needed for the blind adult. The rehabilitation center shall, also, serve blind adults who have other disabilities.]

(12)[(16)] There shall be established under authority of the bureau, to be directed by the executive director, [a division of] industries for the blind which shall provide industrial evaluation, training, *and* employment[, home industries]. Emphasis shall be on placement in public employment and long-term sheltered employment at industries for the blind.

[(17) There shall be established under the authority of the bureau, to be directed by the executive director, a division of employment services which shall promote the employment of the blind in the public and the private sectors. This division shall coordinate its activities with the division of field services, the division of business enterprises, the division of rehabilitation center for the blind and the division of industries for the blind.]

(13)[(18)] The bureau shall provide staff services which shall include fiscal management, staff development and training, program development and evaluation, public information office and such other staff services as may be deemed necessary.

The Committee Amendment No. 1 to **HB 920** is as follows:

Amend printed copy of **HB 920** on page 1, lines 7-8, by deleting the brackets around the words "[social and]"

and on page 2, line 4, after the word "blind." insert a new subsection as follows: "*(5) "Secretary" means secretary of the education and the arts cabinet.*";

and on page 2, line 24, after the word "impaired." insert the following: "*The secretary shall transfer funds from gifts and bequests to the budget account of the unit or section as designated by the donor.*";

and on page 3, line 6, after the word "*known*" insert the word "*national*";

and on page 3, line 6, after the word "*blind*" insert the words "*which have a Kentucky chapter*";

and on page 6, line 25, by inserting a bracket in front of the word "not";

and on page 6, line 25, by inserting in front of the word "not" the following words "*conform to the federal guidelines*";

and on page 7, line 4, by inserting a bracket after the word "fee";

and on page 7, line 25, by deleting the word "*three (3)*" the first time it appears and inserting the word "*one (1)*" before the word "*unannounced*" and by deleting the letter "*s*" from the word "*audits*";

and on page 7, line 25, after the word "*on*" insert the words "*each of*";

and on page 8, line 13, insert the word "*on*" in front of the word "long-term" and insert the word "*and*" after the word "long-term".

SB 39, AN ACT relating to aged persons and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

It is the intent of the General Assembly that moneys appropriated in this Act be utilized only to initiate the statewide senior citizen discount program and that, after a period of two (2) years, the program be self-sustaining and no further public funds should be expended thereon.

SECTION 2. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Senior citizen" means a person sixty-five (65) years of age or older;

(2) "Statewide senior citizen discount program" means a program to provide senior citizens discounts on retail goods and services from merchants throughout the state.

SECTION 3. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) There is established within the department for human resources a statewide senior citizen discount program for the purpose of making retail goods and services available at reduced rates to the Commonwealth's senior citizens.

(2) The department shall establish this program in cooperation with the governor's office of volunteer services, making use of both existing social service agencies funded by the Commonwealth and volunteer service organizations in order to implement the program in the most expeditious manner at the least expense to the taxpayer. The department shall establish regional service centers to provide the training, support and promotion necessary to the program.

(3) Program participation shall be voluntary and free. No fees, dues or other charges shall be assessed by the department nor required of the merchants or senior citizens who choose to participate. The department shall invite retail merchants to participate in the program by extending discounts on their merchandise or services to citizens sixty-five (65) years of age and older. The conditions and rate of the discounts shall be determined by the participating businesses. Persons sixty-five (65) years of age shall be eligible to participate in the program by presenting valid proof of age to participating businesses.

(4) The secretary of the department shall make such regulations as necessary to provide program identification for participating merchants and senior citizens lacking proof of age, informational brochures, directories of participating businesses and other printed materials essential to the implementation and promotion of the program.

Section 4. To carry out the purposes of this Act, there is appropriated to the department for human resources out of the general fund in the state treasury the sum of ninety-seven thousand dollars ($97,000) for the 1980-81 fiscal year and twenty-eight thousand dollars ($28,000) for the 1981-82 fiscal year.

SB 58, AN ACT relating to the Kentucky housing corporation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198A.030 is amended to read as follows:

(1) There is hereby created and established an independent, de jure municipal corporation and political subdivision of the Commonwealth which shall be a public body corporate and politic to be known as the Kentucky housing corporation.

(2) The Kentucky housing corporation is created and established as a de jure municipal corporation and political subdivision of the Commonwealth to perform essential governmental and public functions and purposes in improving and otherwise promoting the health and general welfare of the people by the production of residential housing in Kentucky.

(3) The corporation shall be governed by a board of directors, consisting of fourteen (14) members *plus two (2) members of the Kentucky general assembly as non-voting, ex-officio members.*[,] Six (6) of *the members* [whom] shall be the secretary of [the executive department for] finance [and administration],

the commissioner of the department for local government, the commissioner of revenue, the attorney general, the secretary of the cabinet for development and the commissioner of commerce, or their duly appointed designees, as public directors, and eight (8) of *the members* [whom] shall be chosen from the general public residing in the Commonwealth, as private directors.

(4) Upon organization of the corporation, the governor shall appoint the eight (8) private directors to take office and to exercise all powers thereof immediately. Of the eight (8) directors of the corporation thus appointed, two (2) shall continue in office for terms of one (1) year, and two (2) for terms of two (2) years, two (2) for terms of three (3) years and two (2) for terms of four (4) years respectively as the governor shall designate; at the expiration of said terms and for all succeeding terms, the governor shall appoint a successor to the office of private director for a term of four (4) years in each case.

(5) In case of a vacancy, the governor may appoint a person for such a vacancy to hold office during the remainder of the term.

(6) The governor may remove any private director whom he may appoint in case of incompetency, neglect of duty, gross immorality, or malfeasance in office; and he may declare his office vacant and may appoint a person for such vacancy as provided in other cases of vacancy.

(7) The governor shall designate a director of the corporation to serve as chairman. The term of the chairman shall extend to the earlier of either the date of expiration of his then current term as a director of the corporation or a date six (6) months after the expiration of the then current term of the governor designating such chairman.

(8) The board of directors shall annually elect one (1) of its members as vice chairman. The board of directors shall also elect or appoint, and prescribe the duties of, such other officers as the board of directors deems necessary or advisable, including an executive director and a secretary, and the board of directors shall fix the compensation of such officers.

(9) *The legislative research commission shall appoint a senator and a representative from the membership of the committee on banking and insurance submitted to serve as ex-officio non-voting members on the board of directors. The term of the two (2) legislators shall extend for one (1) year from the date of appointments or until the expiration of the term of office of the legislator, whichever occurs first. If the term of office of the legislator expires prior to fulfillment of the one (1) year term, the legislative research commission shall appoint a member of the committee on banking and insurance who is a member of the same house to serve the remainder of the term.*

(10) The executive director shall administer, manage and direct the affairs and business of the corporation, subject to the policies, control and direction of the board of directors of the corporation. The secretary of the corporation shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents and papers filed with the corporation, the minute book or journal of the corporation and its official seal. The secretary shall have authority to cause copies to be made of all minutes and other records and documents of the corporation and to give certificates under the official seal of the corporation to the effect that such copies are true copies, and all persons dealing with the corporation may rely upon such certificates.

(11)[(10)] A majority of the board of directors of the corporation shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of any vacancies.

(12)[(11)] Action shall be taken by the corporation upon a vote of a majority of the directors present at a meeting at which a quorum shall exist called upon three (3) days' written notice to each director or upon the concurrence of at least seven (7) directors.

(13)[(12)] All directors shall be entitled to their reasonable and necessary expenses actually incurred in discharging their duties under this chapter. Each private director appointed pursuant to subsection (3) of this section shall be entitled to a fee of fifty dollars ($50.00) for attendance at each meeting of the board of directors.

The Committee on Education reported **HB 139, HB 889, SB 27,** and **SB 140** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 139, AN ACT relating to higher education and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.910 is amended to read as follows:

(1) Each and every medical school established and assisted financially by the state of Kentucky shall include in the curriculum a department of *family* [general practice of] medicine under the direction and supervision of a qualified *family* [general] practitioner. The minimum requirements for the department shall

include courses of study in family care including clinical experience, a program of preceptorships, a program of internships or *family* [general] practice residencies in a hospital and such other teaching techniques as in the judgment of the management of the school shall be best suited to encourage and implement the preparation of students for the [general] practice of *family* medicine.

(2) As used in this section, a "free-standing family practice residency program" means a graduate medical education program sponsored by one (1) or both state medical schools but located in and conducted through a hospital organizationally and functionally separated from a university hospital and having such facilities, services and other resources to offer the complete three (3) year graduate medical education program in accord with the essentials for accredited residency training in family practice established by the liaison committee on graduate medical education and the American board of family practice and approved by the council on higher education.

(3) Each and every medical school established and assisted financially by the State of Kentucky shall be provided state funds to establish and operate a free-standing, hospital-based residency program in family medicine. The programs thus established shall be in addition to the University of Louisville sponsored program in Madisonville and the University of Kentucky sponsored program in Covington.

(4) Each program established pursuant to this section shall be designed to accommodate four (4) family practice residents in first year positions, four (4) family practice residents in second year positions and four (4) family practice residents in third year positions. The positions thus created shall be phased in on an annual incremental basis beginning in July of the second year of program operation.

(5) The programs shall be established in sites which are outside Fayette County and Jefferson County and which meet the accreditation requirements of the American board of family practice and are approved by the council on higher education.

(6) The first year shall be a planning and development year and funds appropriated under this section shall be used to cover the cost of a director, executive secretary, consultants, travel, supplies, expenses, and fringe benefits. Increased funding for the second year shall include the cost of one (1) additional physician faculty position, one (1) secretary, and the development of a model practice office. Resident stipends and teaching faculty salaries shall be provided from funds allocated to implement the provisions of KRS 164.927.

(7) Priority for funds appropriated to implement the provisions of KRS 164.925 to 164.933 shall be given to resident stipends and faculty support as follows:

(a) The University of Louisville sponsored program in Madisonville and the University of Kentucky sponsored program in Covington.

(b) The residency programs authorized by this section.

(c) Other residency programs established pursuant to KRS 164.925 to 164.933.

Section 2. To carry out the purposes of this Act, there is appropriated out of the General Fund in the State Treasury the sum of $200,000 for the 1980-81 fiscal year and the sum of $400,000 for the 1981-82 fiscal year, to be divided equally between the University of Kentucky and the University of Louisville.

HB 889, AN ACT relating to the teaching of scientific creationism.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Theory of evolution" shall mean the belief that present processes, acting essentially as a present, suffice to explain the past history of the cosmos, including its assumed evolutionary development from primeval chaos into its present form. The origin and development of the elements, the galaxy, the solar system, of life, of all the species of plants and animals, the origin of men, and the origin of all things are included in this cosmology. Matter or energy, or both, in some form are assumed to be eternal, so that there has never been any real creation of anything, ex nihilo, as used in this definition.

(2) "Scientific creationism" shall mean the belief, based upon scientific principles, that there was a time in the past when all matter, energy, and life, and their processes and relationships were created ex nihilo and fixed by creative and intelligent design.

SECTION 2. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

(1) With respect to lectures, visual aids, textbooks, other prepared subject matter, curricula, course guides, course outlines, and other administrative curricular matter used in all public elementary and secondary schools within the Commonwealth, references to any theory of evolution shall be presented only with references to scientific creationism which are equal in content and context.

(2) Nothing in this Act shall be construed as a control on discussion, nor so as to prevent the use of dual textbooks or teaching materials, or both, to achieve the equal content requirements of this Act.

(3) The requirements of this Act shall be applicable to all presentations of the theory of evolution and scientific creationism beginning with the 1982-83 school year.

SECTION 3. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

Beginning in the 1980-81 school year, the state textbook commission, under provisions of KRS 156.435, shall include as a criterion for selection of textbooks for adoption, the theory of scientific creationism when references to the theory of evolution are made in a textbook being considered for adoption.

SB 27, AN ACT relating to the teachers' retirement system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions of KRS Chapter 161, the contribution of university faculty members may be reduced by amounts up to two and two hundred fifteen thousandths percent (2 215/1000%) if amounts sufficient to replace the reduction are authorized and contributed to the teachers' retirement system by the board of regents of the employing university.

Section 2. Whereas, since salary deductions for retirement system purposes are calculated on a fiscal year basis, an emergency is declared to exist and the provisions of this Act shall become effective July 1, 1980.

SB 140, AN ACT relating to public schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.030 is amended to read as follows:

[(1)] A "common school" is an elementary or secondary school of the state supported in whole or in part by public taxation. No school shall be deemed a "common school" or receive support from public taxation unless the school is taught by a qualified teacher for a term of eight (8) or more months during the school year and every child residing in the district who satisfies the age requirements of this section has had the privilege of attending it. Provided, however, that any child who is six (6) years of age or who may become six (6) years of age by September 1, 1979, and any year thereafter, shall attend public school as provided by KRS 157.315 or qualify for an exemption as provided by KRS 159.030. Any child who is five (5) years of age or who may become five (5) years of age by September 1, 1979, and any year thereafter, may enter a public school kindergarten. Any child who has successfully completed kindergarten during the school year *1979-80* [1978-79] shall be eligible for enrollment in the first grade for the school year *1980-81* [1979-80] notwithstanding any other age requirements of this section.

[(2) The parent or legal guardian of any child who becomes five (5) years of age on or before December 31 may petition the state board for elementary and secondary education to allow the child to enter kindergarten at the beginning of the school year in which the child becomes five (5).

(3) The parent or legal guardian of any child who becomes six (6) years of age on or before December 31 may petition the state board for elementary and secondary education to allow the child to enter first grade at the beginning of the school year in which the child becomes six (6).

(4) The state board for elementary and secondary education shall establish procedures for consideration of such petitions including readiness testing and such other measures as may be deemed necessary.]

Calendar

HB 726, SB 42, HB 530, HB 583, HB 681, SB 6, SB 135, HB 683, HB 741, SB 41, HCR 66, HB 838, HCR 78, HB 487, HB 468, HB 490, HB 66, HB 328, HB 611, and **SB 26** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **SB 116, SB 163, SB 174, SB 201, SB 247, SB 260, SB 280, HB 118, HB 303.**

HB 134 returned with letter stating Senate has receded from its amendment.

HB 122 returned with letter stating that Senate has refused to recede from its amendment and requesting again that the House concur.

HB 150 returned with letter stating that Senate has refused to recede from its amendment and requesting that the House concur.

Orders of the Day

HB 141, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of the members elected.

Representative Priddy moved the adoption of the Committee Amendment No. 1 to **HB 141.**

On the roll call the vote was yeas 12-Barrows, Bendl, Brown, Cawood, Clarke, Hines, Kenton, LeMaster, Mann, Moberly, Wilborn, Williams. Nays 84-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, Lewis, List, Little, Lundergan, May, McBee, McKinney, McNutt, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Worthington, Wright, Yates.

Committee Amendment No. 1 to **HB 141** was rejected.

Representative Priddy moved the adoption of the Floor Amendment No. 1 to **HB 141.**

On the roll call the vote was yeas 86-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright, Yates. Nays 4-DeMarcus, Ellington, Fryman, Reynolds.

Floor Amendment No. 1 to **HB 141** was adopted.

Representative Priddy moved that **HB 141,** as amended, be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Mann, May, McBee, McKinney, McNutt, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 5-Barrows, Clarke, Moberly, Wilborn, Williams.

HB 141, as amended, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 141,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 306, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Patrick moved the adoption of the Committee Amendment No. 1 to **HB 306.** Agreed.

Representative Patrick moved the adoption of the Floor Amendment No. 1 to **HB 306.**

Representative Blandford requested a ruling of the Chair as to whether Floor Amendment No. 1 was germane to the bill.

The Chair ruled Floor Amendment No. 1 not germane to **HB 306.**

Speaker Pro Tempore presiding.

Representatives Patrick and Robinson appealed the ruling of the Chair.

On the roll call the vote was yeas 54-Adams, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Donnermeyer, Dunn, Ellington, Foster, Freibert, Haering, Hancock, Head, Holbrook, Isler, Jones, Kenton, LeMaster, List, Lundergan, Mann, May, Morris, Nett, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Romines, Sale, Schmidt, Smith, Stone, Thomason, Van Horn, Wilborn, Yates. Nay 19-Allen, Barrows, Bendl, Cawood, Dawahare, DeMarcus, Deskins, Layman, Little, McNutt, Moberly, Noe, Patrick, B. Richardson, Robinson, Stumbo, Thomas, Tobin, White.

The ruling of the Chair was sustained.

The Speaker resumed the Chair.

Representative Patrick moved that **HB 306,** as amended, be passed.

On the roll call the vote was yeas 66-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Bronger, Burch, Caldwell, Cawood, Crupper, Curd, Cyrus, Davenport, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Holbrook, Isler, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McNutt, Moberly, Nett, Noe, Overstreet, Patrick, Petty, Plummer, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Robinson, Smith, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Yates. Nays 9-Brown, Bruce, Burnette, Clapp, Clarke, Craddock, Haering, Rapier, Riner.

HB 306, as amended, was passed and the title agreed to.

Representative Patrick moved that the vote by which **HB 306,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

HCR 4 returned with letter stating Senate has receded from Senate Amendment No. 2.

Orders of the Day (Cont.)

HB 363 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adams moved that **HB 363** be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 363 was passed and the title agreed to.

Representative Adams moved that the vote by which **HB 363** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 453 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Schmidt moved that **HB 453** be passed.

On the roll call the vote was yeas 87-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 0.

HB 453 was passed and the title agreed to.

Representative Schmidt moved that the vote by which **HB 453** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 142 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **SB 142** be passed.

Representative Schmidt moved that **SB 142** be laid on the Clerk's desk.

On the roll call the vote was yeas 77-Adams, Allen, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Bronger, Bruce, Burch, Cawood, Clark, Clarke, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 1-Boswell.

The motion that **SB 142** be laid on the Clerk's desk was adopted.

HB 455 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved that **HB 455** be passed.

On the roll call the vote was yeas 59-Adams, Bendl, Bennett, Blandford, Blythe, Boswell, Bronger, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Curd, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Gray, Hines, Holbrook, Isler, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, McBee, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Reynolds, Richards, Riner, Robinson, Romines, Sale, Smith, Stone, Thomas, Turner, Van Horn, Weinberg, Wilborn, Williams, Yates. Nays 15-Arnold, Blair, Brinkley, Brown, Deskins, Freibert, Hancock, Head, Holloway, Lewis, McNutt, Morris, Rapier, P. Richardson, Worthington.

HB 455 was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 455** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 488 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved that **HB 488** be passed.

On the roll call the vote was yeas 76-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, Layman, LeMaster, Little, Lundergan, Mann, May, McBee, McKinney, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 12-Barrows, Cawood, Clapp, Clarke, Freibert, Jones, Lewis, List, Moberly, Rattliff, B. Richardson, Wilborn.

HB 488 was passed and the title agreed to.

Representative Van Horn moved that the vote by which **HB 488** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 500 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved that **HB 500** be passed.

Representative DeFalaise moved that **HB 500** be laid on the Clerk's desk.

On the roll call the vote was yeas 30-Allen, Blythe, Boswell, Burnette, Caldwell, Davenport, Dawahare, DeMarcus, Ellington, Foster, Fryman, Guenthner, Haering, Heleringer, Holbrook, Holloway, Layman, Mann, McBee, McNutt, Patrick, Plummer, Rattliff, Reynolds, Riner, Robinson, Thomason, Tobin, Worthington, Wright. Nays 56-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Bronger, Brown, Bruce, Cawood, Clapp, Clarke, Craddock, Crupper, Curd, Cyrus, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Gray, Hancock, Head, Hines, Isler, Jones, Kenton, LeMaster, List, Little, Lundergan, May, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Richards, B. Richardson, P. Richardson, Romines, Sale, Smith, Stone, Thomas, Turner, Van Horn, Weinberg, Wilborn, Yates.

The motion that **HB 500** be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 53-Arnold, Barrows, Bendl, Bennett, Brinkley, Bronger, Brown, Cawood, Clarke, Crupper, Cyrus, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Gray, Guenthner, Hancock, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Noe, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Romines, Smith, Stone, Stumbo, Thomason, Van Horn, Weinberg, Wilborn, Williams, Yates. Nays 39-Adams, Allen, Blair, Blythe, Boswell, Bruce, Burch, Burnette, Caldwell, Clapp, Craddock, Curd, Davenport, DeMarcus, Ellington, Foster, Freibert, Fryman, Haering, Head, Holloway, Layman, McKinney, McNutt, Nett, O'Brien, Patrick, Plummer, Rattliff, Reynolds, Richards, Riner, Robinson, Sale, Thomas,Tobin, Turner, White, Wright.

HB 500 was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 500** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 502, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved the adoption of the Committee Substitute to **HB 502.** Agreed.

Representative Farrow moved the adoption of the Floor Amendment No. 2 to **HB 502.**

On the roll call the vote was yeas 18-Barrows, Bruce, Cawood, Craddock, Crupper, Davenport, DeFalaise, Farrow, Foster, Guenthner, Isler, Kenton, Petty, Riner, Schmidt, Stone, Weinberg, Worthington. Nays 46-Adams, Allen, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Burnette, Caldwell, Clapp, Clark, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Dunn, Freibert, Fryman, Gray, Haering, Hancock, Holbrook, Holloway, Johnson, Layman, Lundergan, May, McBee, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Reynolds, Richards, B. Richardson, Thomas, Thomason, Turner, Van Horn, White, Wilborn, Wright.

Floor Amendment No. 2 to **HB 502** was rejected.

Representative Worthington moved that **HB 502,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 29-Arnold, Barrows, Blandford, Boswell, Bronger, Bruce, Cawood, Clarke, Crupper, Davenport, DeFalaise, Donnermeyer, Isler, Johnson, Kenton, List, Lundergan, Mann, Noe, Petty, Plummer, Rapier, Richards, Schmidt, Stumbo, Thomas, Thomason, Wilborn, Worthington. Nays 41-Adams, Allen, Bennett, Blair, Blythe, Caldwell, Clapp, Curd, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Farrow, Foster, Friebert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Layman, LeMaster, Lewis, Little, McBee, McKinney, Morris, Nett, Noe, O'Brien, Patrick, Rattliff, Reynolds, Riner, Robinson, Sale, Tobin, Turner, Van Horn, White, Wright.

HB 502, by way of Committee Substitute, was defeated.

Representative B. Richardson moved that the vote by which **HB 502,** by way of Committee Substitute, was defeated be reconsidered and said motion be postponed indefinitely.

On the roll call the vote was yeas 40-Adams, Allen, Blair, Blythe, Brown, Burnette, Clapp, Curd, Dawahare, DeMarcus, Deskins, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Holloway, Kenton, Layman, Lewis, McBee, McKinney, O'Brien, Patrick, Rattliff, Reynolds, Riner, Sale, Stone, Stumbo, Turner, Van Horn, White, Wright, Yates. Nays 38-Arnold, Barrows, Blandford, Boswell, Bruce, Cawood, Clark, Craddock, Crupper, Cyrus, Davenport, DeFalaise, Donnermeyer, Gray, Heleringer, Isler, Johnson, LeMaster, List, Lundergan, Mann, May, Moberly, Morris, Noe, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, Robinson, Schmidt, Thomason, Tobin, Wilborn, Williams, Worthington.

The motion that the vote by which **HB 502,** by way of Committee Substitute, was defeated be reconsidered and said motion be postponed indefinitely was adopted.

HB 587 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved that **HB 587** be passed.

On the roll call the vote was yeas 75-Adams, Allen, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Fryman, Gray, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Layman, LeMaster, Lewis, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Rapier, Reynolds, Richards, B. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams. Nays 9-DeMarcus, Freibert, Guenthner, Haering, Holloway, McNutt, Rattliff, P. Richardson, Wright.

HB 587 was passed and the title agreed to.

Representative White moved that the vote by which **HB 587** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Pro Tempore presiding.

HB 662, with Committee Substitute and Floor Amendment attached thereto, taken from Order of the Day and ordered read at length for third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lundergan moved the adoption of the Committee Substitute to **HB 662.** Agreed.

Representative Lundergan moved that **HB 662,** by way of Committee Substitute, be passed.

Representative Stumbo moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 662.**

Representative Romines requested the Chair to rule as to whether Floor Amendment No. 1 was germane.

The Chair ruled Floor Amendment No. 1 not germane.

Representatives Guenthner and Overstreet appealed the ruling of the Chair.

Speaker Kenton presiding.

On the roll call the vote was yeas 67-Adams, Allen, Arnold, Barrows, Bennett, Blandford, Blythe, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Fryman, Guenthner, Haering, Hancock, Hines, Isler, Kenton, Kidd, LeMaster, List, Lundergan, McBee, McKinney, Moberly, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, B. Richardson, P. Richardson, Riner, Romines, Sale, Smith, Stone, Thomas, Thomason, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 7-Deskins, Freibert, Heleringer, Lewis, Little, Robinson, Stumbo.

The ruling of the Chair was sustained.

Speaker Pro Tempore Hancock presiding.

On the roll call the vote was yeas 88-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Lundergan, Mann, May, McKinney, McNutt, Moberly, Morris, Noe, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 2-Little, Wilborn.

HB 662, by way of Committee Substitute, was passed and the title agreed to.

Representative Lundergan moved that the vote by which **HB 662,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 663, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved the adoption of the Committee Amendment No. 1 to **HB 663.** Agreed.

Representative Thomas moved that **HB 663,** as amended, be passed.

On the roll call the vote was yeas 81-Allen, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, B. Richardson, P. Richardson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

HB 663, as amended, was passed and the title agreed to.

Representative Thomas moved that the vote by which **HB 663,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 37 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cawood moved that **HCR 37** be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HCR 37 was adopted and the title agreed to.

Representative Cawood moved that the vote by which **HCR 37** was adopted be reconsidered and said motion be postponed indefinitely. Agreed.

HR 73, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Davenport moved the adoption of the Committee Substitute to **HR 73.** Agreed.

Representative Davenport moved that **HR 73,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Morris, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 6-Cawood, Moberly, Noe, Tobin, Wilborn, Williams.

HR 73, by way of Committee Substitute, was passed and the title agreed to.

Representative Davenport moved that the vote by which **HR 73,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 118 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **SB 118** be passed.

Representative Donnermeyer moved that **SB 118** be laid on the Clerk's desk.

Representative Bruce moved that **SB 118** be laid on the table.

On the roll call the vote was yeas 55-Adams, Allen, Arnold, Bendl, Blair, Blandford, Blythe, Boswell, Bronger, Bruce, Burch, Burnette, Clapp, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Foster, Fryman, Gray, Guenthner, Head, Hines, Holloway, Kidd, Layman, Lewis, List, Little, Mann, May, McBee, McKinney, Noe, Plummer, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Smith, Stone, Thomason, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 24-Barrows, Bennett, Brinkley, Caldwell, Clarke, DeFalaise, Freibert, Haering, Herleringer, Holbrook, Isler, LeMaster, Lundergan, McNutt, Moberly, O'Brien, Overstreet, Pearman, Rattliff, Sale, Tobin, Turner, Wilborn, Williams.

SB 118 was laid on the table.

SB 119 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **SB 119** be passed.

On the roll call the vote was yeas 76-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Priddy, Rapier, Rattliff, Reynolds, Richards, Romines, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 8-Allen, Crupper, Deskins, Fryman, Head, Lewis, Riner, Worthington.

SB 119 was passed and the title agreed to.

Representative Clarke moved that the vote by which **SB 119** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 2 to Second Committee Substitute to **HB 147,** by Representative B. Richardson, is as follows:

Amend printed copy of Second Committee Substitute for **HB 147,** by deleting everthing after the enacting clause and substituting in lieu thereof the following:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any statutory provisions to the contrary, prior to the issuance and sale of any definitive bonds or temporary bonds, or the securing of any interim financing through bond anticipation notes, loan agreements or by any other means, each agency, authority, board, corporation, cabinet, commission, or any other agency or instrumentality of the Commonwealth shall first obtain approval of any such financing from the general assembly, sitting in regular or special session. Such approval shall be evidenced by the adoption by the general assembly of a specific act or the adoption by the general assembly of the biennial budget report and the biennial appropriation act which shall specify the purposes for such financing.

(2) The biennial appropriation act and budget report shall also establish a ceiling for revenue bonds which require a general fund appropriation to retire.

(3) The provisions of subsection (1) of this section shall not be applicable to the financing of any project in any case where the project for which financing is proposed is certified by the Secretary of Finance, as hereafter provided, to be of such type as to independently produce revenues sufficient to fully meet debt service on such financing so that no appropriation of state general funds will be required. Such certification shall be made in writing by the Secretary of Finance to the statutory head of the issuing agency or authority with a copy to the governor and the legislative research commission.

SECTION 2. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

In any case in which the general assembly has authorized a debt ceiling or a specific appropriation for debt service for a particular agency, authority, board, cabinet, commission, corporation, or other entity of the Commonwealth of Kentucky, the issuance and sale of definitive bonds or temporary bonds or notes necessary and sufficient to attain such debt ceiling or a specific appropriation for debt service shall be exempt from the provisions of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of Section 1 of this Act, this Act shall not apply to any financing by the Turnpike Authority of Kentucky until July 1, 1982, and shall not apply to any refinancing transaction by any agency, authority, board, corporation, cabinet, commission or other agency or instrumentality of the Commonwealth, if such refinancing transaction results in a net debt service savings to such agency, authority, board, corporation, cabinet, commission or other agency or instrumentality of the Commonwealth.

(2) In the event the cost of an authorized bond project exceeds its estimated cost, as approved by the General Assembly, the financing of such project may be authorized upon approval by the Secretary of Finance, so long as such cost does not exceed the estimated cost by more than twenty-five percent (25%). In the case of financing of any bond project approved by the general assembly, the costs of issuance of bonds or notes shall be added to project costs in determining the principal amount of authorized financing of any such project.

SECTION 4. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

Each proposed revenue bond shall be rated by Moody's Investors Service, Inc. or an equivalent bond rating agency. No revenue bond issued may be sold that does not receive a Moody's rating of at least a BAA or the equivalent rating by another qualified bond rating agency.

SECTION 5. A NEW SECTION OF KRS CHAPTER 56 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any statutory provision to the contrary, no individual, agency, authority, board, cabinet, commission, corporation, or other entity of, or representing the Commonwealth of Kentucky shall enter into any contract with any instrumentality of the Federal Government for the acquisition or construction of any flood control project, when the satisfaction of said contract requires, or could require, the appropriation of state funds not yet appropriated, without first obtaining approval of the general assembly sitting in regular or special session.

Section 6. Sections 1 through 4 of this Act shall become effective January 1, 1982."

Floor Title Amendment to Committee Substitute to **HB 296,** by Representative Cawood, is as follows:

Amend printed copy of Committee Substitute for **HB 296** on page 1, Title line, to read as follows: "AN ACT relating to water resources."

Floor Amendment No. 2 to Committee Substitute to **HB 296,** by Representative Cawood, is as follows:

Amend printed copy of Committee Substitute to **HB 296,** on page 7, by deleting lines 11 through 15.

Floor Amendment No. 1 to **HB 478,** by Representative Donnermeyer, is as follows:

Amend printed copy of **HB 478** on page 3, lines 5 and 6, following "*horse,*" by striking "*not to exceed*" and inserting in lieu thereof "*shall not be less than fifteen percent (15%) nor more than*"; and

on page 3, line 6, following "*at*" by inserting "*the discretion of*"; and

on page 3, line 11, by deleting "*shall not exceed*" and inserting in lieu thereof "*, at the discretion of such track, shall not be less than sixteen and one half percent (16 ½%) nor more than*"; and

on page 4, line 7, by deleting "three (3)" and substituting in lieu thereof "four (4)"; and

on page 4, line 7 through 11 by deleting ": the lieutenant governor, who shall serve as chairman, the chairman of the Kentucky State Racing Commission, the president of the Kentucky Division of the Horseman's Benevolent and Protective Association." and inserting in lieu thereof "one (1) member appointed by the President Pro Tempore of the Kentucky Senate, one (1) member appointed by the Speaker of the Kentucky House of Representatives, one (1) member appointed by the Kentucky Division of the Horseman's Benevolent and Protective Association, and one (1) member appointed by the chairman of the Kentucky State Racing Commission. The appointee of the chairman of the Kentucky State Racing Commission shall serve as chairman of the backside improvement commission."; and

on page 4, line 18 by deleting "KRS 138.510" and substituting in lieu thereof "KRS 138.515".

Floor Amendment No. 1 to **HB 699,** by Representative B. Richardson, is as follows:

Amend printed copy of **HB 699** on page 2, lines 23 and 24, by deleting "*Section 4 through 13 of*";

and on page 3, line 5, after "*856*", by inserting the following: "*and the affiliates of such banks or bank holding companies*".

Floor Amendment No. 1 to **SB 26,** by Representative Morris, is as follows:

Amend printed copy of **SB 26** on page 3, line 15, by deleting the words "through 87";

and on page 3, line 17, by inserting between the words "city" and "presently" the following: "except any city of the third, fourth, fifth and sixth class";

and on page 3, line 18, by deleting the words: "KRS Chapter 88 and";

and on page 3, line 20, by inserting between the words "city" and "presently" the following: "except any city of the third or fourth class";

and on page 4, after line 2, create a new subsection to read as follows:

"(3) The provisions of this Act shall not apply to any city of the third, fourth, fifth or sixth class, whether organized under KRS Chapters 85 through 88 or under KRS Chapter 89."

and on page 4, line 12, by deleting the words "third and fourth";

and on page 4, beginning on line 13 delete in its entirety paragraph (c) of subsection (1);

and on page 42, beginning on line 18 delete all words and figures which appear through page 46, line 7;

and on page 50, beginning on line 25 delete all words and figures which appear through page 51, line 2;

and on page 50, delete line 7 in its entirety;

and on page 50, delete lines 10 through 13 in their entirety;

and on page 50, delete lines 16 through 26 in their entirety;

and on page 51, beginning with line 20, delete in its entirety everything which follows through page 53, line 12.

Floor Amendment No. 2 to **SB 140,** by Representative White, is as follows:

Amend printed copy of **SB 140** on page 2, line 3, by deleting the bracket before "(2)" and inserting a bracket before "The";

and on page 2, line 9, by inserting a bracket after "(3)";

and on page 2, line 10, by deleting the following: "on or before" and by inserting the following in lieu thereof "*between September 1 and*";

and on page 2, line 11, by deleting the word "petition" and inserting the following in lieu thereof "*request that*";

and on page 2, line 17, by inserting the word "*requests*" after the first "such" and deleting all remaining materials on line 17 and 18.

Floor Amendment No. 1 to **SB 142,** by Representative Overstreet, is as follows:

Amend printed copy of **SB 142,** on page 1, line 4, by placing a bracket before the word "*Excluding*" and on line 5, by placing a bracket after "*drivers*".

Representative Brown requested that he be recorded as voting "yea" on **HB 663**. Agreed.

Representative Brown requested that he be recorded as voting "yea" on **HB 306.** Agreed.

Representative Blair moved the adoption of the following Legislative Citation No. 49:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Mr. Bill Livesey of St. Petersburg, Florida, the former Manager who led Paintsville Tri-County Yankees to Kentucky's first professional sports championship since 1972. They had an amazing 52-13 record and were the Appalachian League Champs in 1979. The league was composed of six teams—Bristol Tigers of the Detroit Tigers, Johnson City Cardinals of the St. Louis Cardinals, Kingsport Braves of the Atlantic Braves, Elizabethan Twins of the Minnesota Twins, all from Tennessee; Bluefield Orioles of the Baltimore Orioles, from West Virginia; Paintsville Tri-County Yankees of the New York Yankees from Kentucky. Mr. Livesey, you are bringing much recognition to the Commonwealth of Kentucky and spreading the word about our state in your new position with the New York Yankees as the current Director of Player Development. This prestigious body salutes you and extends best wishes to you, Mr. Livesey, for your outstanding leadership in your responsible position and to the entire team and management of the New York Yankees. (Sponsored by Representative Blair)

Agreed.

Representative Gray moved that **HB 782** be returned to the Committee on Committees for reassignment.

On the roll call the vote was yeas 32-Barrows, Bendl, Bennett, Blandford, Boswell, Craddock, Crupper, Curd, Cyrus, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Head, Heleringer, Hines, Isler, Kidd, List, Little, Mann, Moberly, O'Brien, Rapier, Richards, B. Richardson, Stumbo, Van Horn, Williams, Worthington. Nays 0.

The motion that **HB 782** be returned to the Committee on Committees was adopted.

Representative Curd moved the adoption of the following Legislative Citation No. 50:

The House of Representatives of the Commonwealth of Kentucky hereby honors and appreciates Mr. B. C. Swann, age ninety of Murray, Kentucky, the father of Mrs. Robert Grogan, Frankfort, Kentucky and the nephew of former Representatives Robert Swann and Bracken Swann, Calloway County, who served in the House of Representatives for many years. Your contribution to Calloway County as a retired merchant and an outstanding public servant is most commendable. Your loyalty and devotion to your church—the Church of Christ is admirably reflected in your regular attendance. You have influenced the lives of many and have been a great inspiration, especially to the youth of your county and the Commonwealth of Kentucky. God has showered his manifold blessings upon you in enabling you to continue to drive your car, to read the Courier-Journal Newspaper from cover to cover, to enjoy the KET programs daily and visit with the officials and friends at the Court House due to your political interest and influence. This prestigious body salutes you and extends our very best wishes for a retirement filled with health and happiness. (Sponsored by Representative Curd)

Agreed.

Representative Williams moved the adoption of the following Legislative Citation No. 51:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the University of Louisville Cardinal Basketball Team, Coach Denny Crum, the Metro Conference Coach of the year, and staff on a truly great basketball season. You not only won the Metro Conference regular season with a perfect 12-0 record but continued on to win the Metro Conference Tournament. With a young squad consisting mostly of freshmen and sophomores, you exceeded the expectations of even your most ardent supporters by compiling an enviable 26-3 record. This body recognizes senior Tony Branch for his outstanding contribution to the Cardinal Team and we especially salute senior Darrell Griffith, who not only led the team in scoring, but was selected as player of the year in the Metro Conference. You have our best wishes for continued success in the upcoming NCAA Tournament. (Sponsored by Representative Wright)

Agreed.

Representative Williams moved the adoption of the following Legislative Citation No. 52:

The House of Representatives of the Commonwealth of Kentucky hereby offers our sincere congratulations to the University of Louisville basketball coach Denny Crum as you complete what must be one of the most, if not *the* most, satisfying year in your tenure as a head coach. You have had many truly outstanding teams at the University but this year with but two seniors and a host of freshmen and sophomores - and without great size - you astounded basketball fans everywhere with one of the best records in the nation and a high national ranking. It is with admiration and respect that this body wishes you much continued success as the Cardinals enter the NCAA Tournament. (Sponsored by Representative Wright)

Agreed.

Representative Williams moved the adoption of the following Legislative Citation No. 53:

The House of Representatives of the Commonwealth of Kentucky hereby extends to Senior Tony Branch our sincere appreciation for the contribution you have made to the success of the University of Louisville Cardinal Basketball Team for the past four years. While diminutive in size and participating in a game dominated by "giants", you are living testimony that success can be achieved by displaying a bigness of heart, a cooperative attitude, dedication to a goal and perseverance. This body wishes you much happiness and success in the future. (Sponsored by Representative Wright)

Agreed.

Representative Williams moved the adoption of the following Legislative Citation No. 54:

The House of Representatives of the Commonwealth of Kentucky hereby expresses our appreciation and gratitude to Darrell Griffith as you complete an outstanding basketball career at the University of Louisville with a truly fabulous senior year. Your selection as Metro Conference Player of the year reflects your leadership, your dedication and your consistently brilliant play as you led an inexperienced but spirited group of teammates to a phenominally successful season. College basketball fans will surely miss the variety of "dunks" you so expertly performed but more importantly, they will miss the excitement generated just by your presence on the court. This body wishes you much happiness and success as you enter the field of professional basketball and in all your future endeavors. (Sponsored by Representative Wright)

Agreed.

Representative Gray moved that the rules be suspended for Introduction of Resolutions.

On the roll call the vote was yeas 53-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Burnette, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Gray, Hancock, Head, Heleringer, Hines, Isler, Johnson, Kidd, LeMaster, Lewis, List, Mann, McNutt, Moberly, O'Brien, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Romines, Smith, Stone, Stumbo, Thomas, Turner, Van Horn, Williams. Nays 0.

The motion that the rules be suspended for Introduction of Resolutions was adopted.

Introduction of Resolutions

HCR 113, by Representatives Gray, Blythe, Holloway, and Fryman: A CONCURRENT RESOLUTION urging the U.S. Department of Energy not to adopt a proposed rule restricting recreational watercraft.

Motions, Petitions, and Communications (Cont.)

Representative Worthington moved that he be recorded as voting "yea" on **HB 306.** Agreed.

Representative B. Richardson moved that **SB 142** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 33-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Clapp, Clark, Craddock, Curd, Cyrus, DeFalaise, Deskins, Dunn, Farrow, Foster, Gray, Head, Heleringer, Hines, Isler, LeMaster, List, Mann, Pearman, Petty, Priddy, Rapier, B. Richardson, Romines, Thomas, Turner, Van Horn. Nays 4-Allen, Fryman, Guenthner, Stumbo.

The motion that **SB 142** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative B. Richardson moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions (Cont.)

HCR 112, by Representative Farrow: A CONCURRENT RESOLUTION urging the Utility Regulatory Commission to study cross-boundary and foreign exchange telephone service in the Commonwealth.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Natural Resources and Environment: **HB 898.**

Appropriations and Revenue: **HB 963, HB 912, HB 905.**

State Government: **HR 74, HB 858, SB 233, HB 913, HB 877, HB 866, HB 859, HB 275, HB 443.**

Health and Welfare: **SB 196, HB 403, SB 205, HR 96.**

Judiciary: **HB 776.**

Transportation: **HB 880.**

Banking and Insurance: **HB 763.**

Cities: **HB 956.**

Report of Committees

The Committee on Education reported **HB 766,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 766, AN ACT relating to teachers' retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.340 is amended to read as follows:

(1) The board of trustees shall elect from its membership a chairperson and a vice chairperson on an annual basis as prescribed by the rules and regulations of the board of trustees. It shall appoint an executive secretary and fix the compensation for this position without limitation of the provisions of KRS Chapter 18 and KRS 64.640, except that such compensation shall not exceed the maximum set for Commissioners by KRS 64.640(2). The compensation set by the board of trustees for the position of executive secretary may provide for the same annual leave, sick leave, insurance and similar benefits as provided for other employees of the retirement system. The executive secretary, at the time of appointment or selection, shall be a graduate of a standard four-year college, and shall possess such other qualifications as the board of trustees may require by regulation. The executive secretary shall not have held by appointment or election an elective public office within the five-year period next preceding the date of appointment or selection.

(2) The board shall employ such clerical, administrative, and other personnel as are required to transact the business of the retirement system. The compensation of all such persons employed by the board shall be paid at such rates and in such amounts as the board approves subject to the approval of the commissioner of personnel.

(3) The board shall contract for such actuarial, auditing, medical, investment counseling, and other professional or technical services as are required to carry out the obligations of the board without limitations of KRS Chapter 56 and KRS Chapter 45A, and shall provide for legal counsel and such other legal services as may be required in defense of trustees, officers and employes of the system who may be subjected to civil action arising from the performance of their legally assigned duties in the event such counsel and services are not provided by the attorney general.

(4) The board shall require the trustees, executive secretary and such employes as it thinks proper to execute bonds for the faithful performance of their duties notwithstanding the limitations of KRS Chapter 62.

Section 2. KRS 161.470 is amended to read as follows:

(1) The membership of the retirement system shall consist of all new teachers and all present teachers except as provided in Acts 1938 (1st Ex. Sess.), ch. 1, paragraph 29. No person without previous Kentucky service who was age sixty-five or older on July 1, next preceding employment may become a member of the teachers' retirement system.

(2) Service credit shall be forfeited upon withdrawal. If a teacher again enters service it shall be as a new teacher, except that any teacher who withdraws by claiming his deposits may repay the system the amount withdrawn plus interest and re-establish his service credit as provided in KRS 161.470(3).

(3) Effective July 1, 1974, and thereafter, an active contributing member of the retirement system with contributing service equal to two (2) years or the number of years subsequent to the withdrawal of contributions, whichever is the lesser number may regain such service credit by depositing in the teachers' savings fund the amount withdrawn with interest at the rate to be set by the board of trustees, and computed from the first of the month of withdrawal and including the month of redeposit.

(4) Effective July 1, 1974, any active contributing member with at least two (2) years of contributing service credit who declined membership as provided in Acts 1938 (1st Ex. Sess.), ch. 1, paragraph 29, may secure service credit for prior service, and for any subsequent service prior to date of membership, by depositing in the teachers' savings fund contributions for each year of subsequent service prior to date of membership, with interest at the rate of six percent (6%) compounded annually to the date of deposit.

(5) Membership in the retirement system shall be terminated:

(a) By retirement for service;

(b) By death; or

(c) By withdrawal of the member's accumulated contributions.

(6) In case of withdrawal from service prior to eligibility for retirement, the board of trustees shall on request of the teacher return all of his accumulated contributions with regular interest including any payments made by the teacher to the state accumulation fund, but the teacher shall have no claim on any contributions made by the state with a view to his retirement or to contributions made to the survivor, death and

medical insurance fund. If the member is eligible for an immediate service retirement allowance as provided in KRS 161.600 no withdrawal and refund shall be permitted, *unless the allowance would prohibit the member from qualifying for social security benefits* [but in lieu thereof the teacher shall be entitled to a retirement allowance].

(7) Except as provided in KRS 161.520 and 161.525 in case of death prior to retirement the board of trustees shall pay to the estate of the deceased member or to his assigns all of his accumulated contributions, with regular interest, including any payments made by the teacher to the state accumulation fund, but the estate or assigns shall have no claim on any contributions made by the state with a view to the retirement of the teacher or to contributions made to the survivor, death and medical insurance fund.

(8) Any active contributing member of the Kentucky employes retirement system, the county employes retirement system, the state police retirement system, or the judicial retirement system may use service, under such retirement system for the purpose of meeting the service requirement of subsections (3) and (4) of this section.

Section 3. KRS 161.507 is amended to read as follows:

(1) *An active contributing* [A] member of the teachers' retirement system may receive credit for active service rendered in the armed forces of the United States subject to regulations established by the board of trustees. Such service may be credited only if discharge was other than dishonorable. Service shall be considered as Kentucky teaching service, except that it may not be used for meeting the service requirements set forth in KRS 161.600(1)(a) or 161.661(1). A maximum of six years of such service may be credited but in no case a greater number of years than the actual years of contributing service in Kentucky.

(2) A member having twenty years or more of active duty in the military service, and who is qualified for regular federal retirement benefits based on such service, may not receive credit for any such service in the teachers' retirement system. This subsection shall apply to service presented for credit on July 1, 1975, and thereafter.

(3) A member receiving retirement credit for active duty in the armed services of the United States shall contribute to the retirement system an amount equal to thirty-five percent of the actuarial cost for each year of service so credited [if the active duty was performed after July 1, 1976]. In purchasing retirement credit for active duty in the armed services the latest years of service shall be considered first in allowing credit toward retirement. The board of trustees shall adopt a table of actuarial factors to be used in calculating the amount of contribution required for crediting such service.

Section 4. KRS 161.520 is amended to read as follows:

Upon death of an active contributing member or upon the death of a member retired for disability, except as provided in KRS 161.661(6), the survivors of the deceased member in the following named order, may elect to receive a survivor's benefit payable as follows:

(1) Where there is a surviving widow or a widower who is named as beneficiary of the member's retirement account, the benefit shall be:

(a) One hundred sixty dollars ($160) per month with no restriction on other income; or

(b) *Two hundred dollars ($200)* [One hundred ninety dollars ($190)] per month when the surviving widow or widower's total income from all sources does not exceed six thousand dollars ($6,000) per year or five hundred dollars ($500) per month; or

(c) If the deceased member has a minimum of ten (10) years of service credit with the teachers' retirement system, the surviving widow or widower may apply for an annuity actuarially equivalent to the annuity that would have been paid to the deceased member when eligibility conditions were met. Eligibility for payments would begin at the time the age of the deceased member would have met the requirements of KRS 161.600(1). In exercising this right, the surviving widow or widower shall be entitled to receive an annuity for life except that eligibility for this benefit shall cease upon remarriage. This subsection applies to surviving spouses of members who die on or after July 1, 1978.

(2) Where there are surviving unmarried children under age eighteen (18) or under age nineteen (19) if a full-time student in high school, the benefit shall be one hundred *sixty-five dollars ($165)* [fifty-five dollars ($155)] per month in the case of one (1) such child, two hundred *ninety dollars ($290)* [seventy dollars ($270)] per month in the case of two (2) such children, three hundred *forty dollars ($340)* [twenty-five dollars ($325)] per month in the case of three (3) such children, and three hundred *seventy dollars ($370)* [fifty ($350) dollars] per month in the case of four (4) or more such children. Benefits under this subsection shall apply notwithstanding benefits which may be payable under subsections (1) and (3).

(3) Where the survivor is a child age eighteen (18) or older whose mental or physical condition is sufficient to cause his dependency on the deceased member at the time of the member's death the benefit shall be *two hundred dollars ($200)* [one hundred ninety ($190) dollars] per month, payable for the life of such child or until such time as the mental or physical condition creating the dependency no longer exists. Benefits under this subsection and subsection (2) shall apply to legally adopted survivors provided the proceedings for the adoption were initiated at least one year prior to the death of the member. Benefits under this subsection shall apply notwithstanding benefits which may be payable under subsections (1) and (2) and shall be in addition to such benefits.

(4) Where the sole eligible survivors are dependent parents aged sixty-five (65) or over, the benefit shall be *two hundred dollars ($200)* [one hundred ninety dollars ($190)] per month for one (1) parent or two hundred *ninety dollars ($290)* [sixty ($260) dollars] per month for two (2) parents. Dependency of a parent shall be established as of the date of the death of the member.

(5) Where the sole eligible survivor is a dependent brother or sister, the benefit shall be one hundred *sixty five dollars ($165)* [fifty-five dollars ($155)] per month. In order to qualify the brother or sister must have been a resident of the deceased member's household for at least one (1) full year prior to the member's death or must have been receiving care in a hospital, nursing home or other institution at the member's expense for a like period.

(6) The benefit to a child as defined in subsection (2) of this section shall terminate upon the attainment of age eighteen (18) or upon reaching age nineteen (19) if a full-time student in high school or upon marriage, except that benefits shall continue until the attainment of age twenty-three (23) for an unmarried child who is a full-time student in a recognized educational program beyond the high school level. The benefit to a widow, widower, dependent parent or dependent brother or sister or dependent child age eighteen (18) or older shall terminate upon marriage, or upon termination of the condition creating the dependency.

(7) The board of trustees shall be the sole judge of eligibility or dependency of any beneficiary, and may require formal application or information relating thereto, including proof of annual income satisfactory to the board. The board of trustees may subpoena records and individuals whenever it deems such action necessary.

(8) No payments of benefits shall be made unless the board of trustees shall have authorized such payments. The board shall formulate and adopt necessary rules and regulations for the administration of the foregoing provisions and in every case the decision of the board of trustees shall be final as to eligibility, dependency, or disability, and the amounts of benefit payable.

(9) In the event that there are no eligible survivors as defined in subsections (1), (2), (3), (4), and (5) of this section, the board of trustees shall pay to the estate or assigns of the deceased member a refund of his accumulated contributions as provided in KRS 161.470(7). If the benefits paid or payable under subsections (1), (2), (3), (4), and (5) of this section and KRS 161.661 shall amount to a sum less than the member's accumulated contributions at the time of death, the board of trustees shall pay to the estate or assigns of the deceased member the balance of such accumulated contributions.

Section 5. KRS 161.595 is amended to read as follows:

(1) Upon service retirement, a member of the teachers' retirement system may obtain credit for all or any part of the service otherwise creditable under the Kentucky employes' retirement system, the county employes' retirement system, or in the service of the United States government for which service credit is not otherwise given, upon the payment by the member of such amount or amounts as are actuarially determined to be equal to the increased liability of the teachers' retirement system by virtue of such additional service credit.

(2) The amount paid under this section shall be considered as accumulated contributions of the individual member.

(3) No person shall be allowed credit for the same period of service in more than one (1) of these three (3) retirement systems.

(4) An active member of the teachers' retirement system may obtain service credit for all or any part of full-time teaching service that was performed in a Kentucky correctional institution prior to 1956, upon the payment by the member of the required percentage based on the salary received for the initial year of employment after 1956 in a position covered by the teachers' retirement system with interest at the rate of six percent (6%) compounded annually from the date of the pre-1956 service, and by depositing in the state accumulation fund an amount equal to the above sum. Member payments for this service must be made prior to July 1, 1982.

Section 6. KRS 161.620 is amended to read as follows:

(1) The retirement allowance, in the form of a life annuity with refundable balance, of a member retiring for service shall be calculated as follows:

(a) For retirements effective *July 1, 1980, and thereafter* [during the 1978-79 and 1979-80 fiscal years], the annual allowance for each year of service performed prior to July 1, 1941, shall be *one hundred dollars ($100)* [eighty-eight dollars ($88)] and the annual allowance for each year of service performed after July 1, 1941, shall be two percent (2%) of the final average salary. Actuarial discounts due to age at retirement may be applied as provided in this section.

(b) For retirements effective July 1, 1980, and thereafter the annual allowance shall be determined as set out in subsection (1)(a) of this section, except that the allowance for service performed after July 1, 1980, shall be valued at two and one-half percent (2 ½%) of the final average salary for all members not employed by a state university or college.

(c) If the member has five (5) years or more of Kentucky service, but less than thirty (30) years of such service credit, the allowance shall be reduced actuarially for the number of years the member is less than sixty (60) years of age or by the number of years the service credit is less than thirty (30) years, whichever is the lesser number. The board of trustees shall adopt an actuarial table of discounts for the purpose of calculating these allowances.

(2) *Effective July 1, 1980, and annually on July 1 thereafter, the retirement allowance of each retired member and of each beneficiary of a retirement option shall be increased in the amount of one percent (1%)* [Effective July 1, 1970, and annually on July 1 thereafter the annual retirement allowance of each retired teacher and of each beneficiary of a retirement option shall be increased in the amount of one percent (1%) of the retirement allowance in effect on July 1, 1970, or the date of retirement, whichever occurs later].

(3) Any member qualifying for retirement under a life annuity with refundable balance shall be entitled to receive an annual allowance amounting to not less than eighty-eight dollars ($88) multiplied by the service credit years of the teacher, except that no retired teacher who was sixty (60) years of age or older at retirement, and who has five (5) years or more service credit in a position covered by the teachers' retirement system shall receive a monthly benefit of less than seventy-five dollars ($75). The above minimums shall be effective July 1, 1978, and shall apply to those members retiring on or subsequent to that date.

(4) The minimum provided in this section shall apply in the case of teachers retired or retiring under an option other than a life annuity with refundable balance in the same proportion to the benefits of the teacher and his beneficiary or beneficiaries as provided in the duly adopted option tables at the time of the member's retirement.

(5) *Effective July 1, 1980, the monthly allowance of each member retired on or before July 1, 1979, and of each recipient of a retirement option of such retired member shall be increased in the amount of three percent (3%) of the monthly allowance. Effective July 1, 1980, the monthly allowance of each member retired on or before July 1, 1975, and of each recipient of a retirement option of such retired member shall be increased in the amount of two percent (2%) of the monthly allowance. Effective July 1, 1981, the monthly allowance of each member retired on or before July 1, 1980, and of each recipient of a retirement option of such retired member shall be increased in the amount of three percent (3%) of the monthly allowance. Effective July 1, 1981, the monthly allowance of each member retired on or before July 1, 1976, and of each recipient of a retirement option of such retired member shall be increased in the amount of two percent (2%) of the monthly allowance. The above percentages shall be based on an assumed minimum allowance of two hundred dollars ($200) per month and an assumed maximum allowance of seven hundred and fifty dollars ($750) per month of annuity in effect the previous month.*

(6) Effective July 1, 1980, each member retired prior to that date and each recipient of a retirement option of such member shall receive an increase in monthly benefits equal to one dollar ($1.00) for each year, up to a maximum of fifteen (15) years, of credited service prior to July 1, 1941. Effective July 1, 1980, each member who retired prior to that date and each recipient of a retirement option of such member shall receive an increase in monthly benefits equal to five dollars ($5.00) for each year, after the first fifteen (15) years, of credited service prior to July 1, 1941. [Effective July 1, 1978, the monthly allowance of each member retired on or before July 1, 1976, and of each recipient of a retirement option of such retired member shall be increased in the amount of two percent (2%) of the monthly allowance. Effective July 1, 1978, the monthly allowance of each member retired on or before July 1, 1977, and of each recipient of a retirement option of such retired member shall be increased in the amount of two percent (2%) of the monthly allowance. Effective July 1, 1979, the monthly allowance of each member retired on or before July 1, 1978, and of each recipient of a retirement option of such retired member shall be increased in the amount of two percent (2%) of the monthly allowance. The above percentages shall be based on an assumed minimum allowance of two hundred dollars ($200) per month and an assumed maximum of six hundred dollars ($600) per month of annuity in effect the previous month.]

Section 7. KRS 161.640 is amended to read as follows:

(1) Retirement annuities shall be payable monthly. The first payment to an annuitant shall be made at the payment date at the end of one full payment period after his retirement and shall consist of one regular monthly payment. Retirement for a member receiving one full year of service credit during a fiscal year, shall be no earlier than July 1 next following the end of such fiscal year.

(2) The board of trustees may enter into agreements with retired members for payroll deduction when it is deemed in the best interest of the retired members and the retirement system.

Section 8. KRS 161.655 is amended to read as follows:

(1) Upon the death of a member retired for service or disability, a death benefit of two thousand and *five hundred dollars ($2,500)* [two hundred dollars ($2,200)] shall be paid to the member's estate. Upon the death of an active contributing member, a death benefit of two thousand dollars ($2,000) shall be paid to the member's estate. Application for the death benefit shall be made to the teachers' retirement system together with acceptable evidence of death and eligibility.

(2) Suit or civil action shall not be required for the collection of the death benefit provided herein, but nothing in this section shall prevent the maintenance of suit or civil action against the beneficiary or legal representative receiving the death benefit.

Section 9. KRS 161.661 is amended to read as follows:

(1) Any member who has completed five (5) or more years of accredited service in the public schools of Kentucky after July 1, 1941, may retire for disability and be granted a disability allowance if found to be eligible as provided below. Application for disability benefits must be made within one (1) year of the last contributing service in Kentucky, and the disability must have occurred during the most recent period of employment in a position covered by the teachers' retirement system and subsequent to the completion of five (5) years of teaching service in Kentucky. A disability occurring during the regular vacation immediately following the last period of active service in Kentucky or during an official leave for which the member is entitled to make regular contributions to the retirement system, shall be considered as having occurred during a period of active service. The annual disability allowance shall be equal to sixty percent (60%) of the member's final average salary, except that a member retiring for disability who is also eligible for service retirement may elect to have the benefit calculated on the service retirement formula and may choose any of the retirement options provided for service retirement.

(2) No member who has reached the age of sixty (60) years and who is otherwise qualified for retirement may retire by reason of disability, with the disability allowance of sixty percent (60%) of the member's final average salary as set out in subsection (1) above. A member who is sixty (60) years of age or older may retire for disability with the benefit calculated on the service retirement formula and the choice of retirement options as provided for service retirement. Provisions of KRS 161.520, 161.525, and subsections (3), (4) and (5) of this section shall not apply to disability retirees whose benefits were calculated on the service retirement formula nor to survivors of such members.

(3) Members shall earn one year of entitlement to disability retirement, at sixty percent (60%) of the member's final average salary, for each four years of service in a covered position but any member meeting the service requirement for disability retirement shall be credited with no less than five (5) years of such eligibility.

(4) A member retired by reason of disability shall continue to earn service credit at the rate of one (1) year for each year so retired. Such service shall be credited to the member's account at the expiration of entitlement as defined in subsection (3) of this section, or when the member's eligibility for disability benefits is terminated upon recommendation of the medical review board, and shall be used in calculating benefits as provided in subsection (5) of this section.

(5) Any member retired by reason of disability and remaining disabled at the expiration of the eligibility period shall have such disability benefits recalculated using the service retirement formula with service credit as set out in subsection (4) above. The retirement allowance shall be calculated as set forth in KRS 161.620 except that those persons less than sixty (60) years of age shall be considered as sixty (60).

(6) Members who have their disability retirement allowance recalculated at the expiration of the entitlement period shall continue to have coverage under the post-retirement medical insurance program. Restrictions on employment shall remain in effect until the member attains age seventy (70) or until the member's eligibility is discontinued. KRS 161.520 and 161.525 shall not apply to survivors of disability retirees whose retirement allowances have been recalculated at the expiration of the entitlement period. *Members who have their disability retirement allowance recalculated at the expiration of their entitlement period shall be entitled to a minimum monthly allowance of three hundred dollars ($300) as the basic straight life annuity. The minimum allowance shall be effective July 1, 1980, and shall apply to those members who have had their allowance recalculated prior to that date and to disability retirees who will have their benefit allowance recalculated on or after that date.*

(7) Any member retired by reason of disability may voluntarily waive disability benefits and return to teaching or such member, who is age sixty (60) years or older, may elect to waive disability benefits and retire for service on the basis of service credited to the member on the effective date of the disability retirement.

(8) In order to qualify for retirement by reason of disability a teacher must suffer from a physical or mental condition presumed to be permanent in duration and of such a nature as to render him incapable of being gainfully employed as a teacher. Such incapability must be revealed by a competent examination by a licensed physician or physicians and must be approved by a majority of the medical review board.

(9) A member retired by reason of disability shall be required to undergo periodic examinations at the discretion of the board of trustees to determine whether the disability allowance shall be continued. When examination and recommendation of the medical review board indicate the disability no longer exists, the allowance shall be discontinued.

(10) Eligibility for payment shall begin on the first day of the month following receipt of the application in the teachers' retirement system office, or the first of the month next following the last payment of salary or sick leave benefits by the employer, whichever is the later date.

(11) No person who receives a disability allowance may serve as a teacher either within or without the state of Kentucky. So doing shall constitute a misdemeanor; and shall result in loss of such allowance from the first date of such service. The recipient of a disability allowance who engages in any gainful occupation other than teaching must make a report of the duties involved, compensation received and any other

pertinent information required by the board of trustees. If the annual income from other employment plus the disability benefit exceed the sum of *twelve thousand dollars ($12,000)* [nine thousand dollars ($9,000)] or the last earned compensation, whichever is the greater amount, the benefit shall be reduced to an amount which with earned income will not exceed the last earned compensation or *twelve thousand dollars ($12,000)* [nine thousand dollars ($9,000)], whichever is the greater amount. In no case shall the benefit be reduced to less than seventy-five dollars ($75) per month, if the member has five (5) or more years of contributing service in the teachers' retirement system.

(12) The board of trustees shall designate a medical review board consisting of three or more licensed physicians and may designate physicians in various areas of the commonwealth to conduct examinations as needed. The medical review board shall pass upon all applications for disability retirement and upon all statements, certifications, and examinations submitted in connection with such applications. The disposition of each case shall be recommended by the medical review board in writing to the board of trustees. Members of the medical review board shall follow such rules and regulations regarding procedures as the board of trustees may enact and shall be paid reasonable fees and expenses as authorized by the board of trustees in compliance with the provisions of KRS 161.330 and 161.340. The board of trustees may secure such additional medical service and information as it deems necessary.

(13) A disability may be presumed to be permanent if the condition creating such disability may be reasonably expected to continue for one (1) year or more from the date of application for disability benefits.

(14) Any member who has voluntarily waived disability benefits or whose disability benefits have been discontinued on recommendation of the medical review board, may apply for reinstatement of disability benefits. The application for reinstatement must be made to the retirement system within twelve (12) months of the date disability benefits terminated. If the termination of benefits were voluntary the reinstatement may be made without medical examination if application is made within three months of the termination date. Other applications for reinstatement will be processed in the same manner as new applications for benefits.

Section 10. KRS 161.675 is amended to read as follows:

(1) The board of trustees is empowered to enter into contracts with insurance carriers for the purpose of providing a broad program of hospital and medical insurance coverage to members retired for service or disability. Coverage may be extended to the spouses and minor children of said retired members, provided the member began participating in the teachers' retirement system prior to July 1, 1978. Coverage may also be extended to spouses and to minor children of members in active contributing status who are deceased prior to retirement if the surviving spouse is eligible to receive the member's retirement benefit as provided in KRS 161.525 and elects to do so.

(2) The coverage provided shall be as set forth in the contracts and the regulations of the board of trustees. The contracts and regulations shall provide for, but not be limited to, hospital room and board, surgical procedures, doctors' care in the hospital and miscellaneous hospital costs. A retiree whose effective date of retirement is July 1, 1974, and thereafter, must have a minimum of five (5) years creditable Kentucky service in the teachers' retirement system or of combined services in the Kentucky employes retirement system, of which at least two (2) years was creditable service under KRS 161.510 and 161.607(2), to qualify for such coverage.

(3) The board of trustees is empowered to pay premiums for insurance coverage from the hospital and medical insurance fund. It may provide such insurance coverage as is deemed desirable by making payment to institutions and individuals for services performed, or the board of trustees may elect to provide such insurance protection on a "self-insurance" basis.

(4) Contracts negotiated may include the provision that a stated amount of hospital cost or period of hospitalization shall incur no obligation on the part of the insurance carrier or the retirement system.

(5) The board of trustees is empowered to adopt such rules and regulations as are necessary to assure efficient operation of the hospital and medical insurance program.

(6) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient.

Section 11. KRS 161.700 is amended to read as follows:

(1) The right of a teacher to a retirement allowance and to the return of contributions, any benefit or right accrued or accruing to any person under the retirement system, and the money in the various funds of the retirement system are exempt from any state or municipal tax, are not subject to execution, garnishment, attachment or other process, and are unassignable except as provided in this chapter.

(2) Retirement allowance, disability allowance, accumulated contributions or any other benefit under the retirement system shall not be classified as marital property pursuant to KRS 403.190(1). Retirement allowance, disability allowance, accumulated contributions or any other benefit under the retirement system shall not be considered as an economic circumstance during the division of marital property in an action for dissolution of marriage pursuant to KRS 403.190(1)(d).

SECTION 12. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

(1) Any person who was employed as a certified teacher in the public schools or state universities of the Commonwealth of Kentucky, now covered by the teachers' retirement system, as a regular, full-time teacher for a period of twenty (20) or more years prior to July 1, 1940, and who is not otherwise qualified to receive a pension or annuity from the teachers' retirement system, shall be entitled to a payment of seventy-five dollars ($75) per month.

(2) Persons qualifying for this payment shall not be eligible for any other benefit provided for in this chapter.

(3) The terms of this section shall become effective on July 1, 1980, and payment to qualified persons shall begin at such time following that date as applications are received on forms adopted by the board of trustees of the teachers' retirement system. No payments shall be made retroactive to the receipt of such application.

(4) Persons attempting to qualify for payment under the terms of this section shall furnish such proof of age, employment and other qualifications as the board of trustees may require. The board of trustees shall be empowered to determine the eligibility of all applicants.

SECTION 13. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

Each member's account shall be administered in a confidential manner and specific data regarding a member shall not be released for publication unless authorized by the member; however, the board of trustees may release member account information to the employer or to other state and federal agencies as it deems necessary.

Section 14. Whereas, retirement annuity adjustments are implemented at the beginning of a fiscal year, an emergency is declared to exist and the provisions of this Act shall become effective July 1, 1980.

The Committee Amendment No. 1 to **HB 766** is as follows:

Amend printed copy of **HB 766** on page 11, line 5, after "Section 5." insert the following: "KRS 161.540 is amended to read as follows:

(1) Each member shall contribute to the retirement system seven and seven-tenths per cent of his annual compensation. The contribution of a member shall not exceed this percentage on his current annual compensation.

(2)Effective July 1, 1979, each member shall contribute to the retirement system seven and eighty-four hundreds percent of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation.

(3) Effective *July 1, 1982* [July 1, 1980], each member shall contribute to the retirement system nine and thirty-two hundreds percent of annual compensation except that university faculty members shall contribute seven and eighty-four hundreds percent of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation.

Section 6. KRS 161.545 is amended to read as follows:

(1) Members may make contributions and receive service credit for substitute, part-time or any service other than regular full time teaching as provided in the rules and regulations of the board of trustees. Members placed on leave of absence may make contributions and receive service credit for such leave as provided in rules and regulations adopted by the board of trustees.

[(2) Active members who have been granted leaves of absence since July 1941, for reasons of health or to improve their educational qualifications, and did not make contributions to the teachers' retirement system, may make contributions prior to July 1, 1979 under the following conditions:

(a) Such leave shall be verified by a copy of the board of education minutes which granted the leave of absence;

(b) The member shall contribute the required percentage based on the salary received for the year immediately preceding the leave of absence with interest at the rate of three (3) percent compounded annually from the beginning of the school year next following the year of leave, and by depositing in the state accumulation fund an amount equal to the above sum; and

(c) The member may receive credit for no more than two (2) years under the provisions of this subsection.]"

and on page 11, line 5, change "Section 5." to "Section 7.";

and on page 12, line 9, after Section change "6." to "8." and insert the following before KRS 161.620:

"KRS 161.607 is amended to read as follows:

(1) Any member of the teachers' retirement system who enters employment covered by the Kentucky employes retirement system, the state police retirement system, or the county employes retirement system, prior to July 1, 1976, may retain membership in the teachers' retirement system instead of joining the new system.

(2) Any member of the general assembly who upon election is a contributing member of the teachers' retirement system may elect to retain membership in that system during the term of office, instead of participating in the Kentucky employes retirement system. *Members of the General Assembly who elect to retain membership shall make retirement contributions based upon their annual compensation as defined under KRS Chapter 161.220 or on their creditable compensation as defined under KRS Chapter 61.510, whichever is the larger amount.* [No contributions may be made to the teachers' retirement system for the same period of service as may be covered by contributions to the Kentucky employes retirement system.] Service as a member of the general assembly may be used to meet the service requirements of KRS 61.680(2)(a) and 161.510 regardless of the system to which contributions are made by the member.

(3) Any member of the teachers' retirement system entering employment as described in subsection (1) or (2) above must exercise the option within ninety (90) days of the beginning of such employment. *Current members of the General Assembly must exercise the option within ninety days after July 1, 1980.*

(4) Persons who enter service covered by the teachers' retirement system prior to July 1, 1976, and who hold membership in a Kentucky retirement system financed in whole or part with public funds may retain membership in that system providing the statutes and regulations governing said system make continued membership possible.

(5) Any person who has elected an option provided in the above subsections may cancel such election and gain membership in the system which normally covers the position in which currently employed, provided that such cancellation of option election must be completed prior to January 1, 1977."

and on page 12, line 9, insert the words "Section 9." before KRS 161.620;

and on page 12, line 23, insert "*1982*" after "July 1," and delete "1980";

and on page 12, line 26, insert "*1982*" after "July 1," and delete "1980";

and on page 16, line 16, change "7" to "10";

and on page 17, line 4, change "8" to "11";

and on page 17, line 20, change "9" to "12";

and on page 24, line 1, change "10" to "13";

and on page 25, line 23, change "11" to "14";

and on page 26, line 16, change "12" to "15";

and on page 27, line 16, change "13" to "16".

The Committee Amendment No. 2 to **HB 766** is as follows:

Amend printed copy of **HB 766** on page 16, line 15, after the bracket by inserting the following:

"*(7) Effective July 1, 1980, monthly payment of two hundred dollars ($200) shall be payable for the benefit of an adult child of a member retired for service when the child's mental condition is sufficient to cause dependency on the member at the time of retirement. Eligibility for this payment shall continue for the life of such child or until such time as the mental condition creating the dependency no longer exists. Benefits under this subsection shall not apply to adopted children. The board of trustees shall be the sole judge of eligibility or dependency and may require formal application or information relating thereto.*"

The Committee on Banking and Insurance reported **HB 712** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 712, AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.39-320 is amended to read as follows:

(1) No automobile liability or motor vehicle liability policy of insurance insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death set forth in KRS 304.39-110 under provisions approved by the commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of underinsured motor vehicles because of bodily injury, sickness or disease, including death, resulting therefrom; provided that the named insured shall have the right to reject in writing such coverage; and provided further that, unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with a policy previously issued to him by the same insurer.

(2) For purposes of this coverage the term "underinsured motorist coverage" shall, subject to the terms and conditions of such coverage, be such coverage whereby the insurance company agrees to pay its own insured for such uncompensated damages as he may recover on account of injury due to a motor vehicle accident because the judgment recovered against the owner of the other vehicle exceeds the policy limits thereon, to the extent of the policy limits on the vehicle of the party recovering less the amount paid by the liability insurer of the party recovered against. His insurance company shall be subrogated to any amounts it so pays, and upon payment shall have an assignment of the judgment against the other party to the extent of the money it pays.

(3) In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer. [Every insurer shall make available upon request to its insureds underinsured motorist coverage, whereby subject to the terms and conditions of such coverage the insurance company agrees to pay its own insured for such uncompensated damages as he may recover on account of injury due to a motor vehicle accident because the judgment recovered against the owner of the other vehicle exceeds the policy limits thereon, to the extent of the policy limits on the vehicle of the party recovering less the amount paid by the liability insurer of the party recovered against. His insurance company shall be subrogated to any amounts it so pays, and upon payment shall have an assignment of the judgment against the other party to the extent of the money it pays.]

Motions, Petitions, and Communications (Cont.)

Representative Thomas moved that he be recorded as voting "yea" on **HB 141.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

Representative McNutt, **HCR 113;** Representative White, **HB 66;** Representative Kidd, **HB 457;** Representative Haering, **HB 955;** Representative Smith, **HR 52.**

The following meetings were announced:

Judiciary: Special meeting, Thursday, 10:00-12:00 a.m., Room A.

State Government: Thursday, 10:00 a.m., Room 9.

Appropriations and Revenue: Thursday, 9:00 a.m., Room 246.

Appropriations and Revenue: On adjournment Friday.

Cities: Special Meeting, Friday, 9:00 a.m., Room 307.

Labor and Industry: Thursday, 12 noon, Room 307.

Banking and Insurance: Thursday, 12:00-1:30 p.m., Room 9.

Natural Resources and Environment: Today, after adjournment, Room A.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Thursday, March 13, 1980.

On the roll call the vote was yeas 39-Adams, Allen, Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Cawood, Clapp, Clark, Craddock, Crupper, Cyrus, Donnermeyer, Farrow, Fryman, Hancock, Head, Holloway, Johnson, Layman, Lewis, O'Brien, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Schmidt, Stumbo, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright. Nays 5-Curd, Deskins, Dunn, Mann, Thomas.

The motion to adjourn was adopted.

THURSDAY, MARCH 13, 1980

FORTY-THIRD LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Reverend John Hunt, South Frankfort Presbyterian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Maynard and Patrick.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 12, 1980, be dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Banking and Insurance: **SB 247, SB 280.**

Cities: **SB 116.**

Education: **SB 201, SB 174, SB 163.**

Energy: **HR 112, HR 113.**

Health and Welfare: **HB 782.**

Natural Resources and Environment: **SB 260.**

Committee Appointments

The Committee on Committees announced the assignment of Representative Reynolds to the following Committees: the Committee on Natural Resources and Environment and the Committee on Counties and Special Districts.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Natural Resources and Environment: **HB 474.**

Judiciary: **SB 157.**

Report of Committees

The Committee on Rules reported **HB 66, HB 288, HB 328, HB 478, HB 490, HB 681, HB 683, HB 726, HB 741, HCR 78, SB 6, SB 41,** and **SB 42** have been posted for passage in Orders of the Day, March 14, 1980.

The Committee on Rules reported **HB 555** has been recommitted to the Committee on Counties and Special Districts.

The Committee on Agriculture and Small Business reported **HB 901** with Committee Amendment attached thereto, **HB 729, HB 909, HB 967,** and **HR 104** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 901, AN ACT relating to bovine animals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 247.615 is amended to read as follows:

As used in KRS 247.620 to 247.685 unless the context otherwise requires:

(1) "Association" means any commission, council, board, or other body;

(2) "Commissioner" means the commissioner of agriculture;

(3) "Board" means the state board of agriculture;

(4) "Producer" means every person who produces bovine animals and thereafter causes the same to be marketed;

(5) "New producer" means a producer who was not engaged in the business of producing bovine animals at the time a referendum was conducted in accordance with the provisions of KRS 247.620 to 247.685; [and]

(6) "Person" means any individual, corporation, partnership, association, cooperative, or other business entity*; and*

(7) "Dealer" means any person who buys, sells or offers to buy, sell, exchange, barter or negotiate the sale of bovine animals but shall not include producers who do not engage in the business of buying and selling bovine animals.

Section 2. KRS 247.670 is amended to read as follows:

(1) In the event a majority of the eligible producers in such referendum who vote therein shall vote in favor of the assessment, then the commissioner shall notify forthwith, by registered or certified mail, every person licensed to operate a livestock market in the state, as well as every person who operates a meat packing or slaughter establishment which buys bovine animals directly from the producer *and every dealer*, that on and after the date designated in the notice, which shall be not less than thirty (30) days nor more than sixty (60) days after the mailing of the notice by the commissioner, the amount of the assessment shall be deducted by all such sales markets or purchasers of bovine animals, or by their agents or representatives, from the purchase price paid the seller of bovine animals.

(2) On or before the fifteenth (15th) day of each month all assessments deducted shall be remitted to the association certified by the assessment referendum, less three percent (3%) which may be retained to compensate the stockyard operator, meat packer, *dealer,* or slaughter establishment operator for the expense of collecting and remitting the assessment.

(3) The books and records of all stockyard operators, meat packers, *dealers,* and slaughter establishment operators shall at all times during regular business hours be open for inspection by the commissioner or his duly authorized agents for the purpose of ascertaining the accuracy of the amounts remitted.

Section 3. KRS 247.685 is amended to read as follows:

Whenever in the judgment of the board or the duly certified association, an operator of a livestock market, meat packing establishment, or slaughter establishment, *or a dealer* has engaged in or is about to engage in any acts or practices that constitute a violation of any of the provisions of KRS 247.610 to 247.685, the board or the duly certified association may make application to the Franklin Circuit Court for an order enjoining such act, or acts, or practices and obtain a restraining order and preliminary injunction against such operator *or dealer.*

The Committee Amendment No. 1 to **HB 901** is as follows:

Amend printed copy of **HB 901,** on page 1, lines 20 and 21, and page 2, lines 1, 2, and 3, by striking those lines in their entirety and substituting therefor the following:

"*(7) "Order buyer" means any person who purchases bovine animals in Kentucky and is registered under the U.S. department of agriculture, packers and stockyards act of 1921, as amended, and the regulations thereunder. This does not include producers who do not engage in the business of buying and selling bovine animals.*"

and on page 2, line 13, by striking the word "*dealer*" and substituting therefor the words "*order buyer*"

and on page 2, line 25, by striking the word "*dealer*" and substituting therefor the words "*order buyer*" and on page 3, line 3, by striking "*dealers*" and substituting therefor the words "*order buyers*"

and on page 3, line 13, by striking "*dealer*" and substituting therefor "*order buyer*"

and on page 3, line 20, by striking "*dealer*" and substituting therefor "*order buyer*"

HB 729, AN ACT relating to the governor's council on agriculture.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 247.413 is amended to read as follows:

(1) There is hereby established the governor's council on agriculture which shall be attached to the development cabinet for administrative purposes *and which shall be headed by an executive director who shall be appointed by the governor. Such other staff shall be appointed as is necessary to assist in carrying out the purposes of this section.* The object of the council shall be *to assess and discern potentials, problems, or any issue pertaining to Kentucky agriculture by such means as is necessary and advise the governor and the secretary of the development cabinet of methods* [the development and promotion of a broadly conceived statewide agricultural and agribusiness program, including the distribution and promotion of agricultural products,] which will stimulate the acceleration of the state's agricultural economy by endeavoring to improve all phases thereof.

(2) The duties and responsibilities of the executive director shall be to:

(a) Keep the governor and the secretary of the development cabinet informed on current agricultural and agribusiness developments and problems;

(b) Carry out such directions as the governor or the secretary of the development cabinet and the council may issue;

(c) Advocate and promote programs for the advancement and promotion of agriculture and agribusiness;

(d) Serve farmers as a source of information on federal and state agricultural programs;

(e) Make the facilities of the office available to farmers and to serve as a forum to which farmers may direct questions and problems; and

(f) Make available to farmers such other information and services as the facilities of the office can afford providing such services do not duplicate those provided by the department of agriculture under its programmatic and statutory duties.

Section 2. KRS 247.417 is amended to read as follows:

(1) The membership of the council shall consist of the governor, the lieutenant governor, [the commissioner of agriculture,] the secretary of the development cabinet, [the dean of the college of agriculture and home economics of the university of Kentucky,] and *seventeen (17)* [fifteen] citizen members, a majority of whom shall be full-time farmers, appointed by the governor, *two (2) from each of the seven congressional districts and three (3) from the state-at-large.* All members shall serve at the governor's will during his incumbency, and until each member's successor is appointed.

(2) [The governor shall serve as chairman of the council.] The council may elect by majority vote a *chairperson* [vice-chairman] and such officers of the council as may be deemed necessary.

(3) Citizen members of the council shall receive a compensation of fifty dollars ($50) per day for each day of attendance at *steering committee meetings, subcommittee meetings, and* meetings of the council, and shall be reimbursed by the *council* [secretary's office] for necessary and actual expenses in accordance with the provisions of KRS chapters 44 and 45.

(4) The council shall meet at the call of the chairman, *or the executive director, as often as is necessary* but not less [often] than four (4) times during each calendar year. A majority of the members appointed to the council shall constitute a quorum.

Section 3. KRS 247.420 is amended to read as follows:

The duties and functions of the council shall be to:

(1) Counsel with the *secretary of the development cabinet and the* governor on matters pertaining to agricultural and agribusiness development [and the marketing and distribution of agricultural products].

(2) Promote, to the fullest extent, coordination and cooperation among public and private agencies and organizations so that each may make the maximum contribution toward the attainment of a greater and improved agricultural economy.

(3) Make investigations, undertake such studies, and prepare such reports and recommendations regarding the elimination or alleviation of specific problems affecting farm gross and net income, the improvement of all phases of agriculture, and any other matters necessary and incidental to the stimulation of the development of a statewide agricultural program for acceleration of farm income.

(4) Promote [the production and marketing of Kentucky farm products and services, on local, state and national levels, through] research, education, and other *agricultural* [promotional] activities.

(5) Contract from time to time as appropriate with experts and consultants who may be utilized as deemed necessary and make other necessary purchases.

(6) Hold public and private hearings for the purpose of furthering the objectives of the council's programs.

Section 4. KRS 247.423 is amended to read as follows:

From the council membership, the chairman shall name *three (3)* [four] *citizen* members, at least two of whom shall be full-time farmers, who, along with the chairman, *and the executive director,* shall serve as the steering committee. The steering committee shall be responsible for the execution of duties and functions assigned to the council.

Section 5. KRS 247.427 is amended to read as follows:

[(1) There is hereby established the Kentucky farmers advocate's office which shall be attached to the development cabinet for administrative purposes, and which shall be headed by the farmers advocate appointed by the governor. Such other staff shall be appointed as is necessary to assist in carrying out the purposes of this section.

(2) The staff members shall be entitled to compensation under KRS chapter 18, and may be reimbursed for necessary and actual expenses in accordance with the provisions of KRS chapters 44 and 45.

(3) The duties and responsibilities of the Kentucky farmers advocate's office shall be to:

(a) Keep the governor and the council informed on current agricultural and agribusiness developments and problems;

(b) Carry out such directions as the governor and the council may issue;

(c) Advocate and promote programs for the advancement and promotion of agriculture and agribusiness;

(d) Make the facilities of the office available to farmers, and to serve as a forum to which farmers may direct questions and problems;

(e) Serve farmers as a source of information on federal and state agricultural programs; and

(f) Make available to farmers such other information and services as the facilities of the office afford.

(4)] The executive director of the council shall maintain correct and complete records of all the council's transactions and proceedings which shall constitute public records open to inspection at reasonable times.

Section 6. KRS 247.430 is amended to read as follows:

[(1) The council shall submit an annual report to the Governor before the 15th day of August each year, summarizing the council's expenditures and activities, including such recommendations as the council deems appropriate.]

(1)[(2)] The receipt, control, and expenditure of all funds shall be subject to the general provisions of the Kentucky Revised Statutes governing financial administration of other state agencies.

(2)[(3)] No provision of KRS 247.410 to 247.430 shall be construed as a repeal of any other laws relating to agriculture, but shall be held and construed as supplemental thereto.

Section 7. KRS 247.425 division of developmental services established within the Governor's Council on Agriculture is repealed.

HB 909, AN ACT relating to protecting agricultural operations from nuisance suits under certain circumstances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

(1) It is the declared policy of the Commonwealth to conserve and protect and encourage the development and improvement of its agricultural land for the production of food and other agricultural products. When nonagricultural land uses extend into agricultural areas, agricultural operations often become the subject of nuisance suits. As a result, agricultural operations are sometimes forced to cease operations. Many others are discouraged from making investments in farm improvements. It is the purpose of this section to reduce the loss to the state of its agricultural resources by limiting the circumstances under which agricultural operations may be deemed to be a nuisance.

(2) No agricultural operation or any of its appurtenances shall be or become a nuisance, private or public, by any changed conditions in or about the locality thereof after the same has been in operation for more than one year, when such operation was not a nuisance at the time the operation began; provided, that the provisions of this subsection shall not apply whenever a nuisance results from the negligent operation of any such agricultural operation or its appurtenances.

(3) For the purposes of this section "agricultural operation" includes, without limitation, any facility for the production of crops, livestock, poultry, livestock products,or poultry products including horticultural and growing of timber.

(4) The provisions of subsection (1) of this section shall not affect the right of any person, firm, or corporation to recover damages for any injuries or damages sustained by them on account of pollution of the waters of any stream of any such person, firm, or corporation.

(5) Any and all ordinances of any unit of local government now in effect or hereafter adopted that would make the operation of any such agricultural operation or its appurtenances a nuisance or providing for abatement thereof as a nuisance in the circumstance set forth in this section are and shall be null and void; provided, however, that the provisions of this subsection shall not apply whenever a nuisance results from the negligent operation of any such agricultural operation or any of its appurtenances.

Section 2. This Act does not affect actions commenced prior to the effective date hereof.

HB 967, AN ACT relating to creameries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 260.775 is amended to read as follows:

As used in KRS 260.775 to 260.845, unless the context requires otherwise:

(1) "Buyer" shall include any person, partnership, corporation, association, organization, *company, firm, bargaining agent, receiving station, milk plant or agent thereof* [or concern] who receives milk or cream from producers and pays *the producers* for it on basis of *volume, or* [amount,] weight, *and* [or] test, except that it does not include persons who buy milk or cream for their own consumption;

(2) "Buy," "buying," or "bought" shall mean the *receiving* [purchase] of milk or cream from producers or their agents *and paying for it* on basis of *volume, or* [amount,] weight *and* [or] test;

(3) "Milk tester" shall include any person who tests milk or cream, bought by buyers from producers, to determine the constituents or quality of such milk or cream and uses, or submits for use, these tests in determining the price paid for it;

(4) *"Sampler - weigher"* ["Sampler and weigher"] shall include any person who samples, weighs, or measures milk or cream *received* [purchased] by buyers from producers *and uses or submits for use, these tests or weights in determining the price paid for it*;

(5) "License to buy" means the license issued to buyers of milk or cream purchased from producers or their agents on basis of its volume, *or* weight *and tests* [or test];

(6) "License to test" means the license issued to milk [and cream] testers;

(7) "License to sample and weigh" means the license issued to *a milk sampler - weigher* [samplers and weighers];

(8) "Board" means the *creamery license* [examining] board;

(9) "Director" means the director of the agricultural experiment station, college of agriculture [and home economics], University of Kentucky;

(10) "Producer" means any person, partnership, corporation, association, organization, or concern keeping milk cows for *the* production of milk *or cream* for sale *to a milk buyer* [or separation for the sale of cream];

(11) "Buying location" means each separate business place where nonpackaged milk or cream is *received by buyers* [purchased,] such as [cream buying station,] milk receiving *stations* [station], *and* milk *plants; transfer stations are not considered buying locations* [plant, creamery, cheese factory, condensery, or ice cream factory];

(12) "Nonpackaged milk" means milk as it is usually received from the farm before it is processed and put in bottles, cartons or other containers for consumer use ["Stamped testware" means test bottles, test weights, and other test equipment inspected and stamped with an indelible and distinguishing mark by the experiment station];

(13) "Standard testware" means *all testing equipment inspected and approved by the director for use in Kentucky and meeting all specifications of the national bureau of standards* [test bottles, test weights, pipettes and other measuring or calibrating devices approved by the director for use in Kentucky];

(14) *"Transfer station" means any place, premise, or establishment where farm bulk milk is transferred directly from one transport tank to another and producers' bulk tank milk samples are collected, handled, stored, and transported to a laboratory for analysis* ["Cream station" means a place where cream is received, weighed, sampled, consolidated and shipped to a creamery or factory];

(15) "Milk equivalent" means the amount of whole milk required to make other dairy products; thus, to convert *milkfat* [butterfats] to milk equivalent, multiply the pounds of *milkfat* [butterfat] by twenty-five (25), for four per cent (4%) milk.

(16) "Milk receiving station" means any place, premise, or establishment where producers' raw farm milk is collected, handled, and stored by a milk buyer;

(17) "Milk plant" means any place, premise, or establishment where milk or milk products are collected, handled, processed, stored, pasteurized, bottled, or prepared for distribution by a milk buyer;

(18) "Transfer station license" means the license issued to operate a transfer station;

(19) "Person" shall mean any individual, milk plant operator, partnership, corporation, company, firm, trustee, or association.

Section 2. KRS 260.780 is amended to read as follows:

It shall be unlawful for any buyer of milk or cream in this state to:

(1) *Receive and* buy milk or cream from producers or their agents without obtaining a license for each buying location where such milk or cream is received;

(2) Receive [and pay for] milk or cream *which is paid for* on *the* basis of *weight* [weights] or *volume* [tests] without having it sampled and weighed or measured by a licensed *weigher - sampler* [weigher and sampler or tested by a licensed tester];

(3) Manipulate weights, measurements or tests, that is, to pay for milk or cream on *the* basis of any weight or measurement or test that is not the true and legal weight or test;

(4) Manipulate or falsify records or to use records of weights or tests as basis for payment that are not correct and legal weights, measurements or tests;

(5) Receive milk or cream purchased from producers by a [cream station operator or] milk receiving station *or milk plant* that does not have a license to buy;

(6) Use weighing, mixing, sampling, or testing equipment which is inaccurate or nonstandard;

(7) Fail to comply with such regulations for weighing, measuring, sampling and testing milk or cream as may be issued by the director.

(8) Fail to keep records of weights and tests as required by regulation or to make such records available for inspection by the director or his representative; or

(9) Receive milk which is paid for on the basis of tests without having it tested by a licensed tester.

Section 3. KRS 260.785 is amended to read as follows:

[Except as provided in subsection (4) of this section,] It shall be unlawful for any *milk sampler - weigher* [milk sampler or weigher] *either for himself, or as officer, servant, agent, or employe of any person, firm, company, association, or corporation* in this state to:

(1) Sample, weigh, or measure milk or cream *from farm bulk tanks* without obtaining a license to sample and weigh;

(2) Inaccurately sample, weigh, or measure milk or cream;

(3) Fail to comply with such regulations for the sampling, weighing or measuring of milk or cream *and handling, storage, and transportation of producers' milk samples* as may be issued by the director;

(4) *Employ, engage, or obtain the services of a person who does not have a sampler - weigher license to weigh and sample farm bulk milk;* [Provided, however, That any milk tester who holds a license to test or temporary permit to test may sample, weigh and measure milk or cream according to the provisions of KRS 260.775 to 260.845 without obtaining a license to sample and weigh.]

(5) Manipulate or falsify any producer weights, records, or samples for testing.

Section 4. KRS 260.790 is amended to read as follows:

It shall be unlawful for any milk tester in this state to:

(1) [Weigh, measure, sample or] Test milk or cream bought from producers [on basis of such measures, weights or tests] without obtaining a license [or permit] to test;

(2) Inaccurately [weigh, measure, sample, or] test *producers'* milk or cream *samples*;

(3) Use inaccurate, [unstamped or] nonstandard *or improperly calibrated* equipment in [weighing, measuring, sampling or] testing, of milk or cream.

(4) Manipulate or falsify tests or records.

(5) Fail to comply with such regulations for testing, weighing and sampling as may be issued by the director.

SECTION 5. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

It shall be unlawful for any owner or operator of any transfer station to:

(1) Operate a transfer station without having a transfer station operator's license;

(2) Fail to comply with regulations issued by the director for the proper storage, handling, and transporting of producers' milk samples while at the transfer station and en route to the testing laboratory;

(3) Manipulate, substitute or falsify any producer milk weights or milk samples;

(4) Transfer milk, samples, or records at a transfer station without having a current weigher - sampler's license;

(5) Transfer milk that has not been weighed and sampled at the farm by a licensed weigher - sampler.

Section 6. KRS 260.795 is amended to read as follows:

Every *milk plant* [creamery], milk *receiving station* [shipping station, milk factory, cheese factory, condensery, ice cream factory] or other milk processing or manufacturing plant or person, or agent, firm, company, association or corporation buying milk or cream from producers or their agents shall secure and hold a license to buy for each buying location where such milk and cream is received. Application for a license shall be made to the director, the application to be accompanied by the license fee provided for in KRS 260.815. Upon receipt of the application and fee, the director shall issue to the buyer a license to buy milk or cream provided the buyer is in compliance with the provisions of KRS 260.775 to 260.845 and the regulations relating to the sampling, weighing, testing or buying of milk or cream *and the handling, storage, and transportation of producers' milk samples* as may be issued by the director[; the license to expire on June 30 of the license year for which it is issued].

Section 7. KRS 260.800 is amended to read as follows:

(1) [Except as provided in subsection (2) of this section,] All persons who test milk or cream bought by buyers from producers shall secure and hold a license to test.

(2) Any *applicant* [person] who tests milk or cream bought by buyers from producers [not holding a current license to test] shall demonstrate his proficiency in testing by satisfactorily passing an examination prescribed by the director. [Prior to taking an examination for a license, he may apply for and secure a temporary permit under one of the following conditions:

(a) Submit evidence of having successfully completed a recognized course in dairying;

(b) Has held a valid tester's license in another state;

(c) Has worked with a licensed tester at least two (2) weeks and has a certification from this licensed tester that he is qualified to test;

(d) Has a certificate signed by a field representative of a cream company stating that the applicant is a cream station operator and has been properly instructed in testing procedures and is competent in performing milk or cream tests.]

(3) *Prior to taking an examination for a license an applicant may apply for and secure a temporary license.* Application for a *temporary* license [or temporary permit] to test shall be on a form prescribed by the director and accompanied by the license fee [or permit fee] provided for in KRS 260.815.

Section 8. KRS 260.805 is amended to read as follows:

(1) All persons who weigh, measure *and* [or] sample milk or cream bought by buyers from producers shall secure and hold a license to sample and weigh[; Provided, however, That licensed testers may sample, measure, and weigh under the authority of their license to test]. Application for such license shall be made on a form prescribed by the director and accompanied by the license fee provided for in KRS 260.815. Upon receipt of the application and fee, the director *may* [shall] issue to the *sampler - weigher* [sampler and weigher] a *temporary license* [permit] to sample and weigh;[,] then after *the applicant has attended formal training and successfully passed a written examination,* [investigations show him qualified,] a license to sample and weigh milk and cream *may be issued*, provided that the *sampler - weigher* [sampler and weigher] is in compliance with the provisions of KRS 260.775 to 260.845 and such regulations relating to weighing, measuring, and sampling of milk and cream as may be issued by the director[; the license to expire on June 30 of the license year for which it is issued].

(2) All persons who transfer milk from farm bulk *milk* tanks to bulk tank trucks for transporting to a buying location, *such as a milk plant or receiving station or to a transfer station,* shall secure and hold a license to sample and weigh.

Section 9. KRS 260.810 is amended to read as follows:

Test equipment [including test bottles, pipettes, weights, scales] and other measuring or calibrating devices used in testing milk and cream under the provisions of KRS 260.775 to 260.845 which are calibrated or adjusted so as to determine the results or accuracy of results of such *tests* [test] shall be inspected by the *university of Kentucky agricultural* experiment station. Equipment found *inaccurate shall be condemned and may not be used for milk testing until repaired* [accurate shall be stamped, sealed or permanently marked so as to be distinguishable. The charge for initial inspection of test equipment shall be as prescribed by the director but not to exceed three cents (3¢) per piece. Equipment to be stamped for use in Kentucky shall be limited to those items listed and described on an approved list published periodically by the director].

Section 10. KRS 260.815 is amended to read as follows:

The license fees to be paid for respective licenses provided for in KRS 260.795, 260.800 and 260.805 shall be *per year or any portion of a year with the license year commencing July 1 and ending June 30. No license may be transferred or assigned. The license fees are* as follows:

(1) Buyers, *milk plants and receiving stations*:

[(a) For cream stations — $6.00 per year for each license; Provided, however, That those places beginning operation after July 1 shall pay 50¢ per month or fraction thereof for the months remaining in the license year ending June 30;

(b)] For each *milk plant* [creamery], milk *receiving station* [shipping station, milk factory, cheese factory, condensery, milk processing plant], person, agent, firm, company, association or corporation an amount determined according to the following schedule:

(a)[1.] *$100.00* [$25.00] per license for those buying less than 1,000,000 lbs. of milk or milk equivalent during the past year;

(b)[2.] *$300.00* [$75.00] per license for those buying more than 1,000,000 lbs. of milk or milk equivalent [but less than 10,000,000 lbs.] during the past year[;

3. $100 per license for those buying more than 10,000,000 lbs. of milk or milk equivalent during the past year;

4. $2.10 for each month or fraction thereof remaining in the license year for the initial license of places which begin operation during the year].

(2) Testers: License to test - *$6.00 for temporary license and $6.00 for yearly license. Temporary fee to be deducted from annual fee if in the same fiscal year* [or temporary permit to test — $3.00 per year].

(3) *Sampler - weigher - $6.00 for temporary license and $6.00 for yearly license. Temporary fee to be deducted from annual fee if in the same fiscal year* [Samplers and weighers: $3.00 per year].

(4) Transfer stations: License to operate a transfer station for transferring producers' raw farm milk from one transport tank to another - $25.00 per year.

Section 11. KRS 260.820 is amended to read as follows:

(1) In order to secure sufficient funds to execute the provisions of KRS 260.775 to 260.845, and to insure accuracy in the weighing, sampling, testing, correctly calculating payments, and keeping of records *and samples* of milk and cream purchased or received from producers or their agents every milk[-shipping station, milk factory, cheese factory, condensery, ice cream factory or other milk processing or manufacturing] plant, *receiving station and transfer station,* or person or agent, firm, company, association or corporation in Kentucky which purchases or receives milk or cream from producers or their agents during the month of May, *1981* [1961], and during the month of May of each and every year thereafter, shall pay to the director of the University of Kentucky agricultural experiment station, for such fluid milk, or milk equivalent so delivered during the month of May, *1981* [1961], and the month of May of each and every year thereafter, a sum equal in amount to *two cents (2¢)* [one cent (1¢)] per hundredweight for all milk or milk equivalent so purchased during such time. For the financing of the producers' share of this program the buyer, or his agent, shall charge *two cents (2¢)* [one cent (1¢)] per hundredweight back to the producer association or cooperative and for those patrons who do not belong to producer associations or cooperatives, the buyer, association, or their agents shall make this charge directly to the individual producer. *Milkfat* [Butterfat] purchased by such parties from such producers other than in the form of fluid milk shall be converted for the purpose of such deduction, into milk equivalent by multiplying the pounds of *milkfat* [butterfat] by twenty-five (25).

(2) Payments for the month of May, *1981* [1961], and for the months of May of each and every year thereafter, shall be made to the director of the University of Kentucky agricultural experiment station, not later than the fifteenth day of June, *1981* [1961], and the fifteenth day of June of each and every year thereafter.

(3) The meaning and intent of this section is that all milk and cream regularly sold by producers, regardless of their residence, to licensed buyers in Kentucky shall be accounted for and the *two cents (2¢)* [one cent (1¢)] per hundredweight paid to the *director of the agricultural* experiment station. Unless a satisfactory substitute arrangement is made the deduction, assembly, accounting and payment shall be made by the concern that pays the producers. There is no intention to prevent transfer of relatively large quantities of milk from one buyer to another provided the records show how payments including the *two cents (2¢)* [one cent (1¢)] per hundredweight referred to herein are handled and paid. In this connection all persons, firms, corporations, associations, or the agents for same, responsible under the terms and meaning of KRS 260.775 to 260.845, to collect, assemble, and make payments to the *director of the university of Kentucky agricultural* experiment station, are also required to submit certified reports with moneys paid, on forms prescribed by the *director* [experiment station], covering the milk and *milkfat* [butterfat] in cream converted to milk equivalent.

Section 12. KRS 260.825 is amended to read as follows:

The director is charged with the enforcement of KRS 260.775 to 260.845 and may, subject to recommendation of the board, employ all proper means to aid and assist in the enforcement of its provisions, including the revocation or suspension of a license as provided in KRS 260.830. The director may delegate the administration of his responsibility, and may employ such personnel as may be necessary to assist him in the enforcement of KRS 260.775 to 260.845. Personnel engaged in the enforcement of KRS 260.775 to 260.845 and duly authorized by the director may inspect testing equipment and scales, take samples, make tests, and retests, and may examine records of weights, tests and payments *of* [and] fees required in KRS 260.820, of milk and cream *at all reasonable hours* at licensed places *or other locations where pertinent* *records are held.* Subject to recommendations of the board, the director shall promulgate reasonable regulations necessary to supplement KRS 260.775 to 260.845 relating to the buying of milk and cream[, the inspecting and stamping of glassware, testware] and test weights used in testing milk and cream to assure accuracy, the definition of standard testware[, and the levying of an inspection and stamping charge for each item of glassware, testware,] and test weights [inspected and stamped,] and may make other regulations reasonably calculated to promote the purposes of KRS 260.775 to 260.845.

Section 13. KRS 260.830 is amended to read as follows:

The director may revoke or suspend any license issued under authority of KRS 260.775 to 260.845; Provided, however, that such revocation or suspension shall occur only when the licensee has failed to comply with the provisions of KRS 260.775 to 260.845 or the rules and regulations issued thereunder, and provided that such revocation or suspension shall occur only upon written recommendation to the director by the *creamery license* [examining] board and after the licensee has had an opportunity, upon due notice, at a hearing before the board, to show cause why his license should not be revoked or suspended.

Section 14. KRS 260.840 is amended to read as follows:

The responsibility for advising the director concerning enforcement of KRS 260.775 to 260.845, for reporting violations, for conducting investigations and hearings pursuant to recommending revocation or suspension of a license, and for recommending rules and regulations to be issued by the director, is vested in *the creamery license* [an examining] board. The board shall be composed of the *coordinator of the dairy section of the animal science department* [head of the dairy department, college of agriculture and home economics], University of Kentucky, who shall be chairman, and three (3) members appointed by the director. Two (2) of the three (3) appointed members shall be appointed from a list of four (4) persons nominated by the dairy committee of the Kentucky farm bureau federation and the third appointed member shall be appointed from a list of two (2) persons nominated by the executive committee of the dairy products association of Kentucky. The appointed members shall serve for a term of three (3) years and until their successors are appointed and *qualified* [qualify]; except that the first appointments made under KRS 260.775 to 260.845 shall be for terms of one (1), two (2), and three (3) years respectively as the directors shall designate. The board shall meet at such a time and place as the chairman shall designate. Three (3) members present at any meeting shall constitute a quorum, and upon the written request of any two (2) members, the chairman shall call a meeting at the time and place requested. Board members not already employed by the state shall be compensated at the rate of *thirty* [fifteen] dollars *($30.00)* [($15.00)] per day for board service and all members shall be reimbursed for any actual expense incurred in performing board duties.

Section 15. KRS 260.845 is amended to read as follows:

All moneys resulting from the payment of license fees, inspection [and stamping charges,] or other charges provided for in KRS 260.775 to 260.845 shall be paid to the director and shall constitute a special and separate fund which shall not lapse and which shall be expended by the director under authority of the board of trustees of the University of Kentucky on proper and separate vouchers. This fund shall be used primarily for discharging expenses incurred in enforcing KRS 260.775 to 260.845 and any portion of the fund not necessary to this purpose shall be used to support research pertaining to methods and equipment for sampling and testing dairy products or such other dairy research work as the director may recommend.

Section 16. KRS 260.992 is amended to read as follows:

(1) Any tester or *sampler - weigher or transfer station* [sampler and weigher] violating, or failing, or refusing to comply with KRS 260.785, 260.790, 260.800 and 260.805, shall upon conviction, be fined one hundred dollars ($100) for the first offense and not less than one hundred dollars ($100) nor more than *five hundred* [one thousand] dollars *($500)* [($1,000)] for each subsequent offense.

(2) Any [creamery,] milk *plant, milk receiving station* [shipping station, milk factory, cheese factory, condensery, ice cream factory, or other milk processing or manufacturing plant] or person, or agent, firm, company, association or corporation violating, or failing, or refusing to comply with KRS 260.780, 260.795 and 260.820 shall be guilty of a misdemeanor and upon conviction, shall be fined not more than *five hundred* [one thousand] dollars *($500)* [($1,000)], or imprisoned for not more than one (1) year, or both.

HJR 104, A JOINT RESOLUTION authorizing and directing the creation of a task force to study small business development in Kentucky.

WHEREAS, small businesses are the backbone of the American economy, accounting for 43% of the gross national product; and

WHEREAS, small businesses account for 80% of all jobs, including 7.4 million new jobs created between 1969 and 1974; and

WHEREAS, burdensome government regulation, lack of venture capital and a more complicated and less stable economy have made starting and operating a small business extremely risky; and

WHEREAS, 1,000 small businesses go out of existence each day, and half of all small businesses started each year do not last more than two years; and

WHEREAS, government historically has done a great deal *to* small businesses but very little *for* them; and

WHEREAS, it is government's responsibility to avoid placing undue burdens on this source of American jobs and innovations and to relieve burdens it has already created; and

WHEREAS, several states have developed notable small business programs; and

WHEREAS, small business development has not been focused on as a distinct and separate issue area in the Commonwealth of Kentucky;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. A small business development task force is hereby created, to consist of eleven (11) members appointed by the Legislative Research Commission no later than July 1, 1980. Appointments shall be made as follows:

(1) Three (3) members of the Senate;
(2) Three (3) members of the House of Representatives;
(3) Two (2) individuals who have started and managed successful small businesses;
(4) One (1) representative of the Kentucky Chamber of Commerce;
(5) One (1) representative of an organization which represents small business interests; and
(6) One (1) representative of a business development corporation or any other entity which provides capital for small businesses.

Section 2. The small business development task force shall conduct a comprehensive study of small business development to include identification and analysis of small business problems in Kentucky and development of a program designed to encourage and assist small business development. The study shall encompass four (4) major subject areas: financial assistance, management and technical assistance, regulatory reform and organization structure of small business programs.

Section 3. The small business development task force shall complete its study and submit its findings and recommendations to the interim joint committee with jurisdiction for small business matters, no later than September 1, 1981. The report of the task force shall include legislation recommended for the 1982 regular session of the General Assembly.

Section 4. Staff services to be utilized in completing this study are estimated to cost $12,000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

The Committee on Business Organizations and Professions reported **HCR 94, HB 653, HB 671** with Committee Amendment attached thereto, **HB 844, HB 841** with Committee Amendment attached thereto, **HB 737,** and **HB 738** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HCR 94, A CONCURRENT RESOLUTION directing the Legislative Research Commission to appoint a task force to study the thoroughbred racing industry in Kentucky.

WHEREAS, thoroughbred racing is the "King of Sports" with which Kentucky has traditionally been associated throughout the world; and

WHEREAS, the thoroughbred racing industry is an important source of employment, recreation and economic development for citizens of the Commonwealth; and

WHEREAS, thoroughbred racing and breeding is recognized internationally as a multimillion dollar industry integral to the economic well-being of the Commonwealth; and

WHEREAS, there is evidence that thoroughbred racing in Kentucky is not staying competitive with thoroughbred racing in other states, thereby depriving the citizens of the Commonwealth of needed revenues; and

WHEREAS, concerns have arisen in regard to the thoroughbred racing industry and its continued economic viability in Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission is directed to create a task force to study the thoroughbred racing industry in Kentucky. The task force shall be appointed no later than July 1, 1980 and shall consist of six (6) members of the House of Representatives and five (5) members of the Senate.

Section 2. That the study conducted by the task force shall include but not be limited to the following issues:

(1) The authority and functions of the Kentucky State Racing Commission, the Horsemans' Benevolent and Protective Association, the Thoroughbred Breeders' Association and other organizations affiliated with thoroughbred racing;

(2) The use of medication on horses;

(3) Pari-mutuel wagering, including exotic wagering and Sunday racing;

(4) The qualifications of racing stewards and other officials;

(5) The administration of the Kentucky Thoroughbred Development Fund and the Kentucky Racing Health and Welfare Fund, Inc.; and

(6) The general economic condition of the thoroughbred racing industry in Kentucky and the impact on the tax base therefrom.

Section 3. That the task force shall present its findings and recommendations to the Interim Joint Committee on Business Organizations and Professions no later than September 1, 1981.

Section 4. That staff services to be utilized in completing this study are estimated to cost $12,500. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

HB 653, AN ACT relating to business development corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 155 IS CREATED TO READ AS FOLLOWS:

A business development corporation may require as a part of any loan made by it, that in the event of a default by the borrower in the repayment or other terms of the loan obligation, the borrower shall pay late charges of a specified amount of up to five percent (5%) per month of the amount of the monthly installment in arrears. Moreover, a business development corporation may require that in the event any litigation becomes necessary as a consequence of the borrower's default, the borrower shall further be liable for a specified amount of up to two percent (2%) of the unpaid principal balance owed on such loan. Such provisions shall be treated as liquidated damages and shall be valid and enforceable by the courts for all purposes.

SECTION 2. A NEW SECTION OF KRS CHAPTER 155 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any law to the contrary, and regardless of the legal rate of interest, in any case brought by a business development corporation to obtain the collection or repayment of a defaulted loan, as part of a successful judgment against the debtor or guarantor the business development corporation shall be entitled to an award of interest thereon at the rate of interest provided in the loan documents executed by the debtor pertaining to the defaulted loan, and the rate of interest shall run and shall be payable until the judgment is satisfied in full.

SECTION 3. A NEW SECTION OF KRS CHAPTER 155 IS CREATED TO READ AS FOLLOWS:

In any legal action brought by a business development corporation to obtain the collection or repayment of a defaulted loan, as part of a successful judgment against the debtor or guarantor the business development corporation shall be entitled to an award of reasonable attorneys' fees incurred in the recovery of the defaulted loan, provided that a provision therefor is contained in the loan documents signed by the debtor or guarantor as part of a loan transaction between the debtor or guarantor and the business development corporation.

HB 671, AN ACT relating to pharmacists and pharmacy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 315.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Association" means the Kentucky *pharmacists* [pharmaceutical] association;

(2) "Board" means the Kentucky board of pharmacy;

(3) "Pharmacy" means every place where:

(a) Drugs are dispensed or sold at retail or displayed for sale at retail; or

(b) Where prescriptions are compounded[; or

(c) Which has upon it or displayed within it, or affixed to or used in connection with it, a sign bearing the term "pharmacists," "pharmacy," "apothecary," "drug," "drug store," "druggist," "drugs," "medicine store," "drug sundries," "remedies," or any term of similar or like import or any place with respect to which any of those terms are used in any advertisement or telephone directory listing].

(4) "Compound" or "compounding" means the preparation of prescription drug components into medication including, but not limited to, manufacturing, packaging, intravenous admixture or manual combination of drug ingredients. Compounding, as used in this Act, shall not preclude simple reconstitution, mixing or modification of drug products prior to administration by non-pharmacists.

(5) "Dispense" or "dispensing" means to deliver one or more doses of a prescription drug in a suitable container, appropriately labeled for subsequent administration to or use by a patient or other individual entitled to receive the prescription drug.

(6) "Drug" means any of the following:

(a) Articles recognized as drugs or drug products in the official United States Pharmacopeia;

(b) Articles, other than food, intended to affect the structure or function of the body of man or other animals; or

(c) Articles, including radioactive substances, intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals.

(7) "Practice of pharmacy" means a health service which includes the dispensing, storage and use of drugs, including radioactive substances, and related devices for the prevention, diagnosis, treatment and cure of illness, the maintenance and management of health and the encouragement of safety and efficacy in prescribing and administering drugs.

(8) "[Registered] Pharmacist" means a natural person licensed by this state to engage in the practice of the profession of pharmacy.

(9)[(5)] "Pharmacist intern" means a natural person registered with the board for the purpose of obtaining instruction in the practice of pharmacy from a registered pharmacist.

(10) "Manufacturer" means any person, except a pharmacist, within the Commonwealth engaged in the commercial production, preparation, propagation, compounding, conversion or processing of a drug, either directly or indirectly, by extraction from substances of natural origin or independently by means of chemical synthesis, or both, and includes any packaging or repackaging of a drug or the labeling or relabeling of its container.

(11) "Prescription" means an original request from a licensed practitioner for drugs, devices or treatment for a human or animal.

(12) "Wholesaler" means any person, except a pharmacist, within the Commonwealth who buys drugs for resale and distribution to persons other than patients or consumers.

Section 2. KRS 315.020 is amended to read as follows:

(1) Any person may open, own or conduct a pharmacy if he keeps a [registered] pharmacist constantly in charge. No person except a [registered] pharmacist shall himself sell at retail, manufacture, compound or dispense any drug, medicine, chemical, poison or pharmaceutical preparation for medical use, or compound and dispense practitioners' prescriptions.

(2) No owner of a pharmacy or manufacturer of pharmaceutical or proprietary preparations who is not a [registered] pharmacist shall fail to place a [registered] pharmacist in charge of his place of business or shall permit any person to compound or dispense prescriptions or sell at retail drugs, medicines, poisons or pharmaceutical preparations in his place of business except in the presence and under the immediate supervision of a [registered] pharmacist.

(3) No person [not a registered pharmacist or registered assistant pharmacist] shall *engage in the practice of pharmacy unless licensed to so practice under the provisions of KRS Chapter 315* [take, use or exhibit the title of a registered pharmacist or registered assistant pharmacist].

Section 3. KRS 315.030 is amended to read as follows:

(1) No person shall take, use or exhibit the title of drug, drug store, pharmacy or apothecary, or any combination of such names or titles, or any title, name or description of like import, or any form designed to take the place of such a title, unless *the facility has been issued a valid permit by the board* [he is a registered pharmacist or constantly keeps a registered pharmacist in charge of his establishment].

(2) No person shall call himself or hold himself out as or use the title of "pharmacist," "registered pharmacist," "licensed pharmacist," "doctor of pharmacy," "druggist" or use the initials "R.Ph." or any other initials or terms which would imply that he is a pharmacist, unless he is duly licensed under the provisions of this chapter.

Section 4. KRS 315.035 is amended to read as follows:

(1) No person shall operate a pharmacy without having first obtained a permit as provided for in KRS Chapter 315. An application for a permit to operate a pharmacy shall be made to the board upon forms

provided by it and shall contain such information as the board requires, which may include affirmative evidence of ability to comply with such reasonable standards and rules and regulations as may be prescribed by the board. Each application shall be accompanied by a reasonable permit fee not to exceed *$100.00* [$50.00].

(2) Upon receipt of an application of a permit to operate a pharmacy, accompanied by the permit fee, not to exceed *$100.00* [$50.00] the board shall issue a permit if the pharmacy meets the standards and requirements of KRS Chapter 315 and the rules and regulations of the board. The board shall refuse to renew any permit to operate on July 1, 1967 or on any subsequent renewal date thereafter unless the pharmacy meets the standards and requirements of KRS Chapter 315 and the rules and regulations of the board. The board shall act upon an application for a permit to operate within thirty (30) days after the receipt thereof; provided, however, that the board may issue a temporary permit to operate in any instance where it considers additional time necessary for investigation and consideration before acting upon the application. In such event, the temporary permit shall be valid for a period of thirty (30) days, unless extended.

(3) A separate permit to operate shall be required for each pharmacy.

(4) Each permit to operate a pharmacy, unless sooner suspended or revoked, shall expire on June 30 following its date of issuance and be renewable annually thereafter upon proper application accompanied by such reasonable renewal fee as may be set by regulation of the board. *A penalty not to exceed thirty dollars ($30.00) may be assessed for any permit not renewed by August 1 of each year.*

(5) Permits to operate shall be issued only for the premises and persons named in the application and shall not be transferable; provided however, that a buyer may operate the pharmacy under the permit of the seller pending a decision by the board of an application which shall be filed by the buyer with the board at least five (5) days prior to the date of sale.

(6) The board may establish a permit classification system recognizing different types of pharmacies and the board may promulgate reasonable rules and regulations, consistent with the provisions of this chapter, to regulate each classification.

(7) The board may promulgate by rules and regulations, reasonable health and sanitation standards for pharmacies or areas within pharmacies which are not subject to health and sanitation standards promulgated by the Kentucky department for human resources or a local health department.

SECTION 5. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) Any manufacturer or wholesaler of drugs shall be required to register with and obtain a permit from the board. Such permit shall be issued in accordance with policy and procedure prescribed in KRS 315.035. The board may charge a permit fee, not to exceed $200 for a manufacturer and not to exceed $150 for a wholesaler.

(2) Manufacturers and wholesalers shall be required to maintain accurate records of all drugs manufactured and sold. Such records shall be made available to agents of the board for inspection at reasonable times. The board may require by regulation that manufacturers and wholesalers periodically report to the board all drugs manufactured and sold.

(3) Failure to report to the board or willful submission of inaccurate information shall be grounds for disciplinary action under the provisions of Section 14 of this Act.

Section 6. KRS 315.040 is amended to read as follows:

(1) Nothing in this chapter shall apply to the sale of usual nonpoisonous domestic remedies, harmless drugs or medicines or patent or proprietary medicine in the original package by any *retail business* [store].

(2) Nothing in this chapter shall interfere with the professional activities of any licensed *practitioner* [practicing physician, or prevent him from keeping any drug or medicine that he may need in his practice, from compounding his own prescriptions, or from supplying to his patients any article that seems to him proper].

Section 7. KRS 315.050 is amended to read as follows:

(1) Every applicant for *licensure* [registration] as a [registered] pharmacist shall be not less than eighteen (18) years of age, a citizen of the United States, of good *physical and mental health* [moral character and temperate habits], a graduate of a school or college of pharmacy [or department of a university recognized and] approved by the board, and shall file proof satisfactory to the board, substantiated by proper affidavits, of *completion of an internship* [a minimum experience in an approved pharmacy], under the supervision of a [registered] pharmacist, which [experience] shall *include* [be predominantly related to] the selling of drugs and medical supplies, compounding prescriptions, preparing pharmaceutical preparations and keeping records and making reports required by the state and federal statutes.

(2) After such applicant has passed a satisfactory examination [in written, oral and practical work,] conducted before the board under regulations prescribed by the board, he shall be entitled to a license as a [registered] pharmacist.

(3) *The examination for licensure shall be given by the board at least two (2) times during each year. The examination shall be prepared to measure the competency of the applicant to engage in the practice of pharmacy. The board may employ and cooperate with any organization or consultant in the preparation and grading of an appropriate examination, but shall retain the sole discretion and responsibility of determining which applicants have successfully passed such an examination.*

(4) The board shall *establish standards for qualifying internship and shall determine appropriate qualifications for pharmacists supervising approved internship programs* [by regulation determine the minimum experience required, such to conform with national requirements].

(5) The board shall issue certificates of internship which shall be valid for four (4) years from date of issuance, the fee for which shall not exceed $10.00.

Section 8. KRS 315.060 is amended to read as follows:

An examination fee shall be fixed by the board not to exceed *$150* [$75] and shall be collected for each examination taken by an applicant.

Section 9. KRS 315.110 is amended to read as follows:

(1) Every [registered] pharmacist who desires to continue to practice pharmacy shall, *by* [during] January *1* of each year, pay to the executive *director* [secretary] of the board a reasonable renewal fee, to be fixed by regulation by the board, but not to exceed *$65.00* [$35.00] and shall file with the board an application in such form and containing such data as the board may require for renewal of *the* [his] license. *A penalty not to exceed $20.00 may be assessed for any license not renewed by February 1 of each year.* [If the board finds that the applicant has continued his pharmacy education in accordance with the regulations of the board, but the length of the study shall not exceed fifteen (15) hours in any calendar year, paid the prescribed renewal fee, and is in compliance with other applicable board regulations, the board shall issue his license renewal.]

(2) [Every registered assistant pharmacist who desires to continue to practice pharmacy shall, during January of each year, pay to the executive secretary of the board a reasonable renewal fee, to be fixed by regulation by the board, but not to exceed $25.00. For this he shall receive a certificate of renewal of his license.

(3)] Every [registered] pharmacist [and every registered assistant pharmacist] shall keep his current certificate conspicuously displayed in his *primary* place of *practice* [business].

(3) In addition to an annual renewal certificate, each pharmacist shall be issued upon renewal a pocket certificate which shall be in the licensee's possession at all times when the licensee is engaged in the practice of pharmacy and which shall be exhibited by the licensee upon request from any member, inspector or agent of the board.

SECTION 10. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) Because of the continuous introduction of new therapeutic and diagnostic agents and changing concepts in the practice of pharmacy, it is essential that a pharmacist undertake a program of continuing education to maintain his professional competency to practice in the public interest.

(2) Effective January 1, 1981, no pharmacist license shall be renewed until the license holder has submitted proof to the board that he has satisfactorily completed in the previous year, a continuing education program acceptable to the board. Such continuing education requirements shall be determined by regulation of the board, but they shall not exceed fifteen (15) hours per year.

(3) The board shall adopt rules and regulations to carry out the provisions of this section, to include guidelines and criteria for reviewing and approving continuing education program.

SECTION 11. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) There is established an advisory council which shall advise the board on rules and regulations pertinent to the regulation of pharmacists, pharmacies and drug distribution. The council shall consist of nine (9) members appointed by the board for four (4) year terms, except that initial terms shall be appointed as follows: three (3) for a term of one (1) year; two (2) for a term of two (2) years; two (2) for a term of three (3) years; and two (2) for a term of four (4) years.

(2) Membership of the council shall include one (1) manufacturer, one (1) wholesaler, one (1) pharmacy educator and six (6) pharmacists representing different practice areas. Members shall be appointed by the board from a list of qualified candidates submitted by the association.

Section 12. KRS 315.115 is amended to read as follows:

All persons who are required to pay renewal fees to the board as [registered or registered assistant] pharmacists shall not be required to pay such fees during the time such persons are actively serving in the armed forces of the United States *during a period of war or armed military involvement.*

Section 13. KRS 315.120 is amended to read as follows:

(1) Within thirty (30) days after the renewal date, the executive director shall notify all pharmacists who have failed to comply with license renewal requirements. Failure to comply within sixty (60) days after

notification shall result in automatic revocation of the license, and the license holder shall be advised of this in the notification.

(2) Any [registered] pharmacist [or registered assistant pharmacist] who has failed to secure his annual renewal certificate for five (5) consecutive years may renew his license only upon passing a satisfactory examination before the board.

(3) Any pharmacist who does not desire to meet the qualifications for license renewal, shall upon application be issued an inactive license. Such license shall entitle the license holder to use the term pharmacist but the license holder shall not be permitted to engage in the practice of pharmacy. An inactive license holder may apply for an active license subject to applicable rules and regulations of the board.

SECTION 14. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) The board may refuse to issue a license, or may refuse to renew, suspend, revoke, fine or reasonably restrict any person who is licensed or is the holder of a permit issued under the provisions of this chapter, for the following reasons:

(a) Knowingly making or causing to be made, any false, fraudulent or forged statement in connection with an application for a license or permit;

(b) Conviction of a felony;

(c) A physical or mental disability, including but not limited to drug or alcoholic abuse, that would make continued practice dangerous to the public;

(d) Conviction of a federal or state drug law where a fine or penalty has been invoked;

(e) Failure to comply with any applicable law or regulations;

(f) Unethical or unprofessional conduct of a character likely to deceive, defraud or harm the public.

(2) Any license or permit holder found guilty of a violation prescribed in subsection (1) of this section shall immediately notify the board of such conviction. Failure to do so shall be grounds for suspension or revocation of the holder's license or permit.

(3) Any license or permit holder whose license or permit has been suspended, revoked or restricted in accordance with the provisions of this section, may petition the board for reinstatement. Such petition shall be made in writing and in such form as prescribed by the board. The board shall investigate all such petitions, and the board may reinstate a license or permit upon showing that the former holder is again able to engage in the practice of pharmacy with reasonable skill, competency and safety to the public.

(4) The board may levy a fine not to exceed one thousand dollars ($1000) for each offense, for any violation of this section. The board may deduct reasonable hearing costs from revenues received from fines and the remainder shall be deposited to the general fund.

Section 15. KRS 315.131 is amended to read as follows:

(1) In every proceeding for probation, *fine,* suspension or revocation of a license or a permit issued pursuant to this chapter, the *executive director* [secretary] of the board shall furnish the licensee or permittee with written notice setting out the substance of each offense charged with sufficient detail to reasonably apprise such person of the nature, time and place thereof. The hearing may be conducted by the board or by a hearing officer appointed by the board. The respondent shall be given at least thirty (30) days prior written notice thereof, who shall have the right to be present in person or by counsel and to present evidence and to be heard in opposition to the charges. Upon failure of the licensee or permittee to respond to the complaint at or before the time of the hearing thereon, the allegations set forth in the complaint shall be taken by the board as confessed.

(2) The board or the hearing officer appointed by it shall have the authority to issue subpoenas for the attendance of witnesses and the production of papers and records, administer oaths and schedule hearings. All decisions revoking or suspending a license or permit or placing a licensee or permittee on probation *or imposing a fine* shall be made by the board.

(3) Except as otherwise provided in this subsection, every order of the board suspending or revoking a license or permit shall become effective thirty (30) days after notice is given to the licensee or permittee; Provided however, That the board may when in its opinion the continued practice of the licensee or the continued operation of the permittee would be dangerous to the health, welfare and safety of the general public, proclaim in its order of suspension or revocation that said order shall become effective forthwith; in such event that board's order of suspension or revocation shall become effective as of the date specified therein and the licensee or the permittee shall not, after notice of same, engage or continue to engage in any practice or operation under the license or permit issued unless the board's order is revoked or modified by a final unappealable order or judgment.

(4) A licensee or permittee aggrieved by an order of the board suspending or revoking a license or permit may within thirty (30) days after notice thereof appeal thereupon to the circuit court of the county in which the licensee or permittee conducts his practice [or place of business]. The appeal shall be determined by the court upon the certified record and no new or additional evidence shall be heard or considered by the court.

(5) Either party aggrieved by a final order entered by the circuit court may appeal to the Court of Appeals as in a civil action.

Section 16. KRS 315.140 is amended to read as follows:

Any [registered] pharmacist [or registered assistant pharmacist] who fails to comply with any provision of KRS *Chapter 315* [315.110 to 315.120], shall forfeit his right to act as a [registered] pharmacist [or registered assistant pharmacist] after sixty (60) days from the time that notice of such failure is mailed to his last known address by the executive *director* [secretary] of the board.

Section 17. KRS 315.150 is amended to read as follows:

(1) The board shall consist of *six (6)* [five (5)] members appointed by the governor. *Five (5)* [Four (4)] members shall be pharmacists *licensed* [registered] in this state. One (1) member shall be a citizen at large, who is not associated with or financially interested in the practice *of pharmacy* [or business regulated].

(2) Beginning with the year *1980* [1948, at its regular annual meeting] the association shall select and submit to the governor *a* [one (1)] list of five (5) *pharmacists* [persons and one (1) list of three (3) persons], each of whom has had at least five (5) years' experience in *the practice of pharmacy, is a resident of the state and in good standing with the board* [compounding and dispensing practitioners' prescriptions in this state]. The governor shall, before October 1 of each year, appoint *no more than two (2) persons* [one (1) person] from *the* [each] list so submitted, to take office on January 1 following, *except that three (3) pharmacists shall be appointed in 1980, one (1) for a term of one (1) year, one (1) for a term of two (2) years, and one (1) for a term of three (3) years. The citizen member shall be appointed by the governor from a list of five (5) persons submitted by the consumer protection division of the attorney general's office.* No two (2) *pharmacist* members of the board shall be residents of the same county.

(3) The term of each board member [appointed from the list of five (5) persons] shall be *three (3)* [four (4) years, and the term of each person appointed from the list of three (3) persons shall be one (1) year. The citizen member shall serve a term of four (4)] years. Each member shall serve until his successor is appointed and qualified, unless removed for cause. No member shall be so reappointed that he will serve for more than *two (2) full terms* [five (5) consecutive years. The pharmacist member appointed each year for a four-year term shall succeed the pharmacist member whose one-year term is expiring that year, and the pharmacist member appointed each year for a one-year term shall succeed the pharmacist member whose four-year term is expiring that year].

(4) The governor shall fill any vacancy of a pharmacist member from the names last submitted *within sixty (60) days after such a vacancy occurs.*

(5) Within ten (10) days after he receives his appointment each member shall take and subscribe to an oath before a competent officer, to perform the duties of his office faithfully and impartially. The oath shall be inscribed upon his commission.

(6) *Four (4)* [Three (3)] members of the board shall constitute a quorum.

SECTION 18. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) The governor may remove a member of the board for any of the following reasons:

(a) Refusal or inability of a board member to perform his duties as a member of the board in an efficient, responsible and professional manner;

(b) Misuse of the office by a member of the board to obtain personal, pecuniary or material gain or advantage for himself or another;

(c) Willful violation of any provision of KRS Chapter 315 or any rule or regulation promulgated thereunder.

(2) Any person may file a complaint with the executive director of the board against a board member alleging specific facts which constitute grounds for removal from the board. The executive director shall transmit a copy of any such complaint to the governor, the president of the board and the accused board member. Upon a written recommendation of the governor or two-thirds (⅔) of the members of the board, a hearing shall be conducted before an impartial hearing officer. The accused board member shall be given thirty (30) days' notice of any hearing and shall have the right to appear with counsel and to present evidence and be heard in opposition to the charges.

(3) The hearing officer shall submit a transcript of the hearing to the governor with a recommendation based on evidence presented in the hearing. The governor shall review the transcript to determine if the evidence supports the recommendation, and he shall enter a finding in accordance with such determination.

(4) In the event a board member is removed, his removal shall be effective as of the date of the governor's finding and a vacancy shall be deemed to exist. Any board member so removed shall be entitled to appeal the removal in the circuit court of Franklin County.

Section 19. KRS 315.160 is amended to read as follows:

(1) The board shall meet [in January of] each year and elect *from its membership* a president and *such other officers as it deems necessary* [an executive secretary]. These officers shall serve for a term of

one (1) year and perform the duties prescribed by the board. *No officer shall serve more than two (2) consecutive full terms in each office to which they are elected* [The president shall be elected from the members of the board, but the executive secretary need not be a member of the board].

(2) The board shall employ a pharmacist to serve as a full time employe of the board in the position of executive director. The executive director shall be responsible for the performance of the administrative functions of the board and such other duties as the board may direct. The board may employ, upon recommendation of the executive director, such additional staff as necessary for the proper conduct of board business and in accordance with the rules and regulations of the Kentucky department of personnel.

(3) The board shall meet at least four (4) times a year to transact business, at such place as it may determine. A majority of the board members shall constitute a quorum for the conduct of business, except as otherwise provided in this Act. The board may also meet at the call of the president or a majority of the board members. Each board member shall be given adequate prior notice of any board meeting.

Section 20. KRS 315.171 is amended to read as follows:

(1) Each member of the board, except the executive *director* [secretary], shall receive not more than *one hundred dollars ($100)* [$75.00] for each day actively engaged in the service of the board. Each member shall receive his traveling expenses and all necessary expenses incurred in the performance of his official duties.

(2) The executive *director* [secretary] of the board shall receive a reasonable salary determined by the board. He shall also receive his traveling expenses and all necessary expenses incurred in the performance of his official duties.

Section 21. KRS 315.191 is amended to read as follows:

The board is authorized to:

(1) [Issue reasonable rules and regulations establishing requirements, standards and tests to determine the moral, physical, intellectual, educational, scientific, technical and professional qualifications of applicants for license to practice pharmacy and to issue, deny, suspend and revoke license, and to place licensees on probation.

(2)] Adopt rules and regulations necessary to regulate and control all matters set forth in this chapter relating to pharmacists and pharmacies, to the extent that regulation and control of same have not been delegated to some other agency of the commonwealth; Provided, however, That such rules and regulations relating to drugs shall be limited to the regulation and control of drugs sold by prescription. However, nothing contained in this chapter shall be construed as authorizing the board to adopt any rules or regulations relating to prices or fees or to advertising or the promotion of the sales or use of commodities or services.

(2)[(3)] Schedule and conduct hearings or to appoint hearing officers to schedule and conduct hearings on behalf of the board on any matter under the jurisdiction of the board.

(3)[(4)] Prescribe the time, place, method, manner, scope and subjects of examinations, provided however that at least two (2) examinations shall be held annually.

[(5) Employ whatever assistance it considers necessary.]

(4)[(6)] Investigate all complaints or violations of the state pharmacy laws and bring all such cases to the notice of the proper law enforcement authorities.

(5)[(7)] Make bylaws for the proper execution of its duties.

(6)[(8)] Perform all other functions necessary to carry out the provisions of law and the rules and regulations adopted by the board relating to pharmacists and pharmacies.

(7) The board may adopt rules and regulations necessary to control the storage, retrieval and transfer of prescriptions within and between pharmacies licensed by it.

Section 22. KRS 315.195 is amended to read as follows:

All license fees, permit fees and charges, and other moneys, *except fines,* collected by the board, under the provisions of this chapter, and the rules and regulations of the board adopted hereunder, shall be paid into the state treasury and credited to a trust and agency fund to be used by the board in carrying out the provisions of this chapter. No part of this fund shall revert to the general fund of the Commonwealth. *All fines collected by the board under provisions of this chapter shall be paid to the general fund.* [All moneys held in a trust and agency fund or other fund to the credit of the board for the administration and enforcement of this chapter on June 16, 1966, are hereby transferred to the trust and agency fund herein created.]

Section 23. KRS 315.990 is amended to read as follows:

[(1)] Any person violating *any provision* [subsection (1)] of KRS *Chapter 315* [315.020] shall be fined not less than $100 nor more than $1,000 or imprisoned in the county jail for not more than six (6) months, or both.

[(2) Any person who violates subsection (2) of KRS 315.020 shall be fined not less than $25.00 nor more than $100 for each offense. Each week that this subsection is violated shall constitute a separate offense.

(3) Any person who violates subsection (3) of KRS 315.020 shall be fined not less than $50.00 nor more than $200 for each offense.

(4) Any person violating KRS 315.030 shall be fined for each offense not less than $100 nor more than $1,000 or imprisoned in the county jail for six (6) months, or both. Each week that an establishment is operated in violation of KRS 315.030 shall constitute a separate offense.

(5) Any proprietor or person in charge of a pharmacy who violates subsection (2) or (3) of KRS 315.080 shall be fined not less than $20.00 nor more than $100 for each offense.

(6) Any person who violates KRS 315.100 shall be fined not less than $25.00 nor more than $100 for each offense.

(7) Any registered pharmacist or registered assistant pharmacist who is habitually intoxicated shall be fined not less than $25.00 nor more than $50.00 for the first and second offenses and upon conviction of the third offense, his license shall be revoked by the board.]

Section 24. The following sections of the Kentucky Revised Statutes are repealed:

315.070	Pharmacist holding license on May 30, 1938 to secure renewal of license only.
315.080	Licensed assistant pharmacists.
315.085	Assistant pharmacists may be examined and licensed as licensed pharmacists.
315.100	False representations prohibited.
315.123	Suspension or revocation of pharmacy permit, grounds.
315.127	Revocation or suspension of pharmacist's license.
315.180	Executive secretary to keep register of pharmacists and pharmacy permits.
315.200	For whom prescriptions to be refilled.
315.991	Penalties.

The Committee Amendment No. 1 to **HB 671** is as follows:

Amend printed copy of **HB 671,** page 8, line 19, after the word "licensed" by deleting the word "*practitioner*".

On page 8, line 20, by deleting the bracket before the word "practicing" and on line 23, by deleting the bracket after the word "proper".

HB 844, AN ACT relating to occupational and professional licensing board members.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 335A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

(1) Any person appointed to an occupational or professional licensing board after July 15, 1980 shall complete during the first year of appointment an orientation program of not less than fifteen (15) hours duration. After the first year of appointment, each board member shall complete annually a minimum of ten (10) hours of continuing education in areas pertinent to government regulation.

(2) The orientation program shall be developed by the legislative research commission and administered by the Kentucky department of personnel. It shall address the regulatory role of a licensing board and all the issues involved therein. It shall be offered a minimum of once per year and a reasonable registration fee may be charged to cover the cost of the program.

(3) The failure of any board member to meet the requirements of this Act shall result in removal from office by the governor.

HB 841, AN ACT relating to the standardbred development fund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 230.770 is amended to read as follows:

(1) There is hereby created a trust and revolving fund for the Kentucky harness racing commission, designated as the Kentucky standardbred development fund, consisting of money allocated to the fund under the provisions of KRS 138.510, together with such other money as may be contributed to or allocated to the fund from all other sources. Money to the credit of the Kentucky standardbred development fund shall be distributed by the treasurer for the purposes herein provided upon authorization of the Kentucky harness

racing commission and upon approval of the secretary of the executive department for finance and administration. Money to the credit of the Kentucky standardbred development fund at the end of each fiscal year shall not lapse, but shall be carried forward in such fund to the succeeding fiscal year.

(2) The Kentucky harness racing commission shall use the Kentucky standardbred development fund to promote races, and to provide purses for such races, for horses sired by standardbred stallions standing within the Commonwealth of Kentucky. For purposes of this section, the term stallions standing within the Commonwealth of Kentucky shall include only standardbred stallions standing the entire breeding season within the Commonwealth of Kentucky and registered as such with the Kentucky harness racing commission.

The commission shall provide for distribution of money to the credit of the Kentucky standardbred development fund to persons, corporations or associations operating licensed standardbred race tracks within Kentucky on an equitable basis, for the purpose of conducting separate races for two and three year old fillies and colts, both trotting and pacing, sired by standardbred stallions standing within the Commonwealth of Kentucky at the time of conception thereof.

Provided, however, that notwithstanding other provisions hereof, a filly or colt foaled prior to January 1, 1978 shall be eligible to participate in races, a part of the purse for which is provided by money of the Kentucky standardbred development fund, if the sire of such filly or colt was standing at stud within the Commonwealth of Kentucky at the time of conception of such filly or colt.

(3) Money distributed from the Kentucky standardbred development fund to licensed race tracks within the Commonwealth shall be used exclusively to promote races and provide purses for races conditioned to admit only standardbred colts and fillies sired by standardbred stallions standing within the Commonwealth of Kentucky, *in the following proportions:*

(a) Fifteen percent (15%) shall be utilized for purses at county fair racing;

(b) Forty-two and one-half percent (42 ½%) shall be utilized for purses in which the Kentucky sire stood at stud for a fee of more than one thousand dollars ($1,000);

(c) Forty-two and one-half percent (42 ½%) shall be utilized for purses in which the Kentucky sire stood at stud for a fee at one thousand dollars ($1,000) or less.

(4) The Kentucky harness racing commission shall fix the amount of money to be paid from the Kentucky standardbred development fund to be added to the purse provided for each such race by the licensed operator of such standardbred race track; shall fix the dates and conditions of such races to be held by licensed race tracks; and shall adopt such rules and regulations as may be necessary to carry out the provisions of this section.

(5) The Kentucky harness racing commission may adopt such rules and regulations as may be necessary to determine the eligibility of horses for entry in races for which a portion of the purse is provided by money of the Kentucky standardbred development fund, including rules and regulations for the registration of standardbred stallions standing within Kentucky and progeny thereof, including registration of progeny of such stallions foaled prior to June 19, 1976.

(6) The Kentucky harness racing commission shall appoint such qualified personnel as may be required to supervise registration of, or determination of eligibility of, horses entitled to entry in races, a portion of the purse of which is provided by the Kentucky standardbred development fund, to assist the commission in determining the conditions, class and quality of the fund supported race program to be established hereunder so as to carry out the purposes of this section. Such persons shall serve at the pleasure of the commission and compensation shall be fixed by the commission. The compensation of such personnel and necessary expenses shall be paid out of the Kentucky standardbred development fund.

The commission shall adopt such rules as are necessary to carry out the provisions of this section, and shall administer the Kentucky sire stakes program created hereby in a manner best designed to promote and aid in the development of the standardbred horse industry in Kentucky; to upgrade the quality of standardbred racing in Kentucky; and to improve the quality of standardbred horses bred in Kentucky.

The Committee Amendment No. 1 to **HB 841** is as follows:

Amend printed copy of **HB 841,** on page 3, line 4, after the letter "*(a)*" by deleting the words "*Fifteen percent (15%)*" and inserting in lieu thereof the word "*Six percent (6%)*".

On page 3, line 5, by deleting the words "*purses at county fair racing*" and inserting in lieu thereof the words "*harness horse association's health and welfare fund*".

On page 3, line 10, after the letter "*(c)*" by deleting the words "*Forty-two and one-half percent (42-½%)*" and inserting in lieu thereof the words "*Fifty-one and one-half percent (51-½%)*".

HB 737, AN ACT relating to auctioneers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 330.060 is amended to read as follows:

(1) Auctioneer and apprentice auctioneer licenses shall be granted only to persons who are found to be of good repute, trustworthy and competent to transact the business of an auctioneer or of any apprentice auctioneer in such a manner as to safeguard the interest of the public.

(2) The board is authorized to require information from every applicant to determine the applicant's honesty and truthfulness.

(3) In addition to proof of honesty, truthfulness and good reputation, an examination, *either written or oral,* conducted by the board or its authorized representative shall be held four (4) times each year, and an examination fee of fifty dollars ($50.00) shall be collected from each applicant to defray the expenses of the examination. The examination shall include questions on ethics, reading, writing, spelling, elementary arithmetic, elementary principles of land economics and a general knowledge of the statutes of Kentucky relating to the bulk sales law, deeds, mortgages, contracts of sale, agency, leases, auctions, brokerage and the provisions of this chapter. The examination for an auctioneer's license shall be of a more exacting nature and scope than the examination for an apprentice auctioneer.

(4) However, no examination shall be required for the renewal of any present or future license, unless such license has been revoked, suspended or is allowed to expire without renewal. In any of these cases, the applicant shall take and pass the written *or oral* examination offered by the board before a new license may be issued.

(5) The provisions of subsection (3) of this section requiring applicants to pass a written *or oral* examination to obtain a license shall not apply to an auctioneer or apprentice auctioneer furnishing satisfactory proof to the board that he actively engaged in the auction business for a period of at least one (1) year prior to June 14, 1962, and that he has been the principal auctioneer in at least five (5) auctions of either real or personal property during this period of time. Such an applicant shall file his application and proof with the board no later than October 1, 1962, and the application and proof shall be accompanied by a bond and license fee in accordance with the provisions of this chapter; Provided, however, That a nonresident tobacco auctioneer may qualify by December 1, 1962.

HB 738, AN ACT relating to hairdressers and cosmetologists.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 317A.050 is amended to read as follows:

(1) The cosmetologist board shall issue an apprentice cosmetologist license to any person who:

(a) Is of good moral character and temperate habit, and at least sixteen (16) years of age;

(b) Has at least *four (4)* [two (2)] years high school education or its equivalent;

(c) Has graduated from a licensed school of cosmetology;

(d) Has passed an examination prescribed by the Board to determine fitness to practice as an apprentice *cosmetologist* [beauty specialist]; and

(e) Has paid a fee of *twelve dollars ($12)* [five dollars ($5)].

(2) The cosmetologist board shall issue a cosmetologist license to any person who:

(a) Has at least *four (4)* [two (2)] years high school education, or its equivalent;

(b) Has practiced as a licensed cosmetology apprentice for at least six (6) months under the immediate supervision of a licensed cosmetologist;

(c) Has satisfactorily passed an examination prescribed by the board to determine fitness to practice cosmetology; and

(d) Has paid a fee of *fifteen dollars ($15)* [ten dollars ($10)].

(3) The cosmetologist board shall issue a license to act as a manicurist to any person who:

(a) Is of good moral character and temperate habit;

(b) Has completed satisfactorily a manicuring course of study of three hundred (300) hours in a licensed school of cosmetology;

(c) Has satisfactorily passed an examination prescribed by the board to determine fitness to practice as a manicurist;

(d) Has *four (4)* [two (2)] years of high school education or its equivalent; and

(e) Has paid a fee of *twelve dollars ($12)* [eight dollars ($8)].

(4) The cosmetologist board shall issue *a* license to operate a beauty salon to any licensed cosmetologist upon *receipt of the completed application provided by the board, accompanied by a fee of twenty-five*

dollars ($25). [application of such cosmetologist accompanied by a fee of ten dollars ($10), provided that] The board may refuse to issue such a license upon the failure to comply with the provisions of this chapter or the rules and regulations of the board adopted pursuant thereto; however, an owner who is not a licensed cosmetologist shall have a licensed cosmetologist as manager of said salon *at all times. In the event of a change of owner or manager or location, a new license must be purchased.*

(5) The cosmetologist board shall issue an apprentice license to teach cosmetology to any person who:

(a) Has paid a fee of *twenty-five dollars ($25)* [fifteen dollars ($15)];

(b) Has a high school education and *one (1) year* [two years] experience as a licensed cosmetologist;

(c) Has submitted a joint application signed also by the owners of the school in which the applicant will study. The course of instruction shall be for a period of one thousand (1,000) hours and not less than six (6) months at one (1) *school* [college] providing this instruction. The school owner shall certify to the board *the completion of one thousand (1,000) hours* [when and if the apprentice teacher is qualified to take the board examination]. No more than one (1) apprentice *instructor* [teacher] shall be *enrolled* [studying] in any one cosmetology school at any given time.

(6) The cosmetologist board shall issue a license to teach cosmetology to any person who:

(a) Is of good moral character and temperate habit;

(b) Has a high school education;

(c) Has held an apprentice *instructor* [teaching] license for at least six (6) months;

(d) Has satisfactorily passed the examination prescribed by the board; and

(e) Has paid a fee of *thirty-five dollars ($35)* [fifteen dollars ($15)].

(7) The cosmetologist board may issue a license to operate a school of cosmetology to any person, firm or corporation who or which:

(a) Has complied with the rules and regulations of the board including, but not limited thereto, the necessary equipment, supplies and facilities;

(b) Has furnished evidence or proof deemed necessary by the board in its sound discretion that the granting of said license to operate a school of cosmetology is needed and that the person, firm or corporation is otherwise qualified to operate a school of cosmetology, and that it is the purpose of the applicant to establish a bona fide school for the education and training of competent cosmetologists and that said applicant will employ a sufficient number of licensed *instructors* [teachers] of cosmetology to conduct such school;

(c) That the licensee shall have as manager at all times a person licensed as an instructor who will be charged with the responsibility of having a sufficient number of licensed *instructors* [teachers] of cosmetology to conduct such school. The designated manager as defined herein shall be approved by the board before a license may be issued;

(d) Complies with the rules and regulations of the board including, but not limited thereto, regarding courses, curriculum and hours of instruction;

(e) Otherwise complies with this chapter;

(f) Has paid a fee of one thousand dollars ($1,000);

(g) Has been a resident of Kentucky for five (5) years if the applicant is an individual. If not, the firm or corporation shall be a Kentucky corporation or is licensed or qualified to do business in Kentucky and shall be in existence for a period of at least five (5) years before said firm or corporation may be eligible to file an application;

(h) Any student enrolling in said school shall pay a fee of five dollars ($5) to the board before enrollment shall be allowed; and

(i) The transfer of any license to operate a school of cosmetology shall require the approval of the board and a new application filed with the board and a fee of one thousand dollars ($1,000) paid.

(8) *Licenses issued by the board shall be renewed beginning July 1 through July 31 of each year. Any license shall be renewed by the board upon receipt, provided the application is completed in full and accompanied by the appropriate renewal fee required by subsection (9) of this section and the applicant for renewal is in compliance with the provisions of this chapter and the rules and regulations of the board adopted pursuant thereto. Any license application received or postmarked later than July 31 shall be considered expired and the appropriate restoration fee required by subsection (11) of this section shall be applicable for restoration of such license* [The board shall issue a license to conduct a postgraduate cosmetologist and advanced hair stylist school to any person complying with reasonable rules and regulations with regard thereto and who pays a license fee of two hundred dollars ($200)];

(9) [Licenses issued pursuant to this section shall expire on the first day of July next following the date of their issue but the board shall renew any license so expiring at no increased renewal fee if the required annual renewal license fee is paid within thirty-one (31) days, after the expiration of such license, provided that the applicant for a renewal is otherwise in compliance with this chapter and the rules and regulations of the board adopted pursuant thereto. Any license shall automatically be renewed by the board upon receipt of the required annual license fee prior to the expiration date of such license, provided the applicant for a renewal is in compliance with the provisions of this chapter and the rules and regulations of the board adopted pursuant thereto;

(10)] The annual renewal license fee for each type of license renewal shall be as follows:
(a) Apprentice cosmetologist — $*10.00*[5.00];
(b) Cosmetologist — $*12.00*[8.00];
(c) Manicurist — $*10.00*[5.00];
(d) Beauty salon — $*15.00*[6.00];
(e) Apprentice *instructor* [teachers] of cosmetology — $*15.00*[10.00];
(f) *Instructor* [Teacher] of cosmetology — $*25.00; and* [15.00;]
(g) Cosmetology school — $*100.00*[50.00; and
(h) Postgraduate school — $50.00].

(10)[(11)] Applications for examinations required by this section shall be accompanied by an *examination* [examining] fee as follows:
(a) Apprentice cosmetologist — $*25.00*[10.00];
(b) Cosmetologist — $*35.00*[20.00];
(c) Manicurists — $*20.00*[10.00];
(d) *Instructor of* cosmetology [teacher] — $*50.00*[35.00];
(e) *Cosmetologist out-of-state — $75.00* [Nonresident cosmetologist with five (5) years experience — $50.00];
(f) *Instructor out-of-state — $150.00* [Nonresident instructors — $100]; and
(g) Where examination is not required by the board, the fee shall be $*50.00*[35.00].

(11)[(12) Except as provided in subsection (9) of this section] The fee for the *restoration* [renewal] of an expired license where the period of expiration does not exceed five (5) years *from date of expiration,* shall be as follows:
(a) Apprentice cosmetologist — $50.00;
(b) Cosmetologist — $50.00;
(c) Manicurist — $*50.00*[25.00];
(d) Beauty salon — $*50.00*[10.00];
(e) Cosmetology school — $*500.00*[100];
(f) Instructor — $*75.00*[50.00];
(g) Apprentice instructor — $50.00[; and
(h) Postgraduate school — $75.00].

(12)[(13)] The requirements for a new license for any person whose license has expired for a period exceeding five (5) years shall be as follows:
(a) Cosmetologists shall retake and pass examination in *practical only* [both practical and science];
(b) Apprentice cosmetologist shall complete one hundred and fifty (150) additional hours training in a licensed school of cosmetology and pass prescribed examination;
(c) *Instructor* [Teacher] of cosmetology shall retake and pass both the practical and science examination [as prescribed by the board]; [and]
(d) *Manicurist shall retake and pass examination, practical only; and*
(e) The appropriate restoration fee as set forth in subsection (11) shall be required [A restoration fee of fifty dollars ($50) shall be required].

(13)[(14)] Guest artists or demonstrators appearing and demonstrating before persons other than licensed hairdressers and cosmetologists shall pay a fee of *thirty-five dollars ($35)* [twenty-five dollars ($25)] for a permit for ten (10) days; but this fee is not required to be paid by guest artists performing before a nonprofit recognized professional hairdressers and cosmetologists group.

(14) The fee for certifications shall be five dollars ($5).

(15) The fee for duplicate license shall be five dollars ($5).

(16) Instructors of cosmetology shall present proof of continuing education for renewal of instructors license, according to the regulations prescribed by the board.

Section 2. KRS 317A.060 is amended to read as follows:

(1) The cosmetologist board shall prescribe rules and regulations governing the operation of any schools and/or salons of cosmetology including, but not limited thereto, rules to protect the health and safety of the public, to protect the public against misrepresentation, deceit or fraud in the practice or teaching of beauty culture, to set standards for the operation of said schools and/or salons with reference to, but not limited thereto, such reasonable rules and regulations so as to protect the students under the provisions of this chapter;

(a) Governing the location and housing of beauty salons or cosmetology schools and governing the number of licenses for schools in the state. To this end the board may make reasonable divisions and subdivisions of the state. This subsection does not apply to the instructional programs in cosmetology in the state area vocational schools;

(b) Governing the quantity and quality of equipment, supplies, materials, records and furnishings required in beauty salons or cosmetology schools;

(c) Governing the training and supervision of cosmetology apprentices;
(d) Governing the qualifications of teachers of cosmetology and apprentice teachers of cosmetology;
(e) Governing the hours and courses of instruction at cosmetology schools;
(f) Governing the examinations of applicants for licenses;
(g) *To govern the proper education and training of students; and* [Limiting advertising by schools for purposes other than advertising for students];
(h) *To govern the course and conduct of school owners, instructors, apprentice instructors, licensed cosmetologist, manicurist, beauty salons and cosmetology schools in a manner consistent with the policies of this board* [Governing the prices to be charged by schools for their services performed by students;
(i) To govern the proper education and training of students; and
(j) To govern the course and conduct of school owners, instructors, apprentice instructors, licensed cosmetologists, manicurists, beauty salons and cosmetology schools in a manner consistent with the policies of this board].

(2) Regulations pertaining to health and sanitation shall be approved by the Bureau of Health Services before becoming effective.

Section 3. KRS 317A.070 is amended to read as follows:

(1) The cosmetologist board shall hold hearings upon the request of any person directly affected by the board's decision to refuse to renew a license or to deny or revoke a license and no license renewal shall be denied nor shall a license be revoked unless the board in advance shall have given the licensee twenty (20) days' written notice of the revocation or refusal to renew stating the grounds therefor;

(2) Hearings conducted by the board shall afford reasonable opportunity for the complainant to be present and represented by counsel, to examine and to cross-examine any witnesses and produce any competent and relevant proof though the board need not follow strict rules of evidence in the conduct of such hearings;

(3) Rulings of the board as a result of any hearing may be appealed to the *Franklin* circuit court [in the county where the appellant resides] by filing with said court within thirty (30) days from the date of entry of the order a certified copy of the ruling or order of the board [if there was any competent evidence before the board to justify the ruling or order];

(4) The board is authorized to issue subpoenas for the attendance of witnesses and the production of such records and documents as may be reasonably necessary in the conduct of any hearing.

Section 4. KRS 317A.090 is amended to read as follows:

No license shall be renewed or issued by the cosmetologist board to any cosmetology school unless such school provides:

(1) As a prerequisite of graduation a prescribed course of instruction of not less than eighteen hundred (1,800) hours in the case of a cosmetology school to be given within an uninterrupted period with not more than eight (8) hours nor less than four (4) hours of instruction a day, exclusive of Sundays; except that in the state area vocational schools the eighteen hundred (1,800) hours of instruction may be offered according to the schedule for other vocational classes in the school;

(2) Courses of instruction in histology of the hair, skin, nails, muscles and nerves of the face and neck; elementary chemistry with emphasis on sterilization and antiseptics, diseases of the skin, hair and glands, massaging and manipulating of the muscles of the upper body; cutting, shaving, arranging, dressing, coloring, bleaching and tinting the hair and such other courses as may be prescribed by regulation of the board;

(3) Such facilities, equipment, materials, and qualified *instructors* [teachers] and apprentice *instructors* [teachers] as may be required by rules and regulations of the board adopted pursuant to this chapter, but in no event shall any *cosmetology* school [have fewer than one (1) licensed teacher per fifteen (15) students, or more than two (2) students per chair, nor shall any cosmetology school] have fewer than one (1) licensed *instructor* [teacher] per twenty (20) students;

(4) The fee for the initial license of a beauty school shall be one thousand dollars ($1,000);

(5) No cosmetology school after being licensed for the first time, shall serve the public until three hundred (300) hours of instruction has been taught;

(6) In compliance with KRS 317.520 the board may revoke or suspend any license issued by it if, in the judgment of the board, such school is not following the requirements as set out in this chapter or such school does not comply with the rules and regulations promulgated by the board in order to regulate the conduct of the school and in order to supervise the proper education of the students.

Section 5. KRS 317A.140 is amended to read as follows:

(1) The board may refuse to issue or renew a license or may revoke *or suspend* such licenses as are issued upon proper showing of applicant's or licensee's:
(a)[(1)] Conviction of a felony;
(b)[(2)] Gross malpractice or incompetence; or
(c)[(3)] Mental or physical health that would endanger public health or safety;

(d)[(4)] False or deceptive practice or misrepresentation including advertising;
(e)[(5)] Practicing in an unlicensed shop or in a shop knowing that such is not complying with this chapter or regulations of the board promulgated pursuant to this chapter;
(f)[(6)] Immoral or unprofessional conduct;
(g)[(7)] Teaching in an unlicensed school or in a school knowing that such school is not complying with this chapter or regulations of the board promulgated pursuant to this chapter;
(h)[(8)] Failure to comply with the rules and regulations of the board.
(2) The licensee may have the alternative, subject to approval of the board, to pay in lieu of part or all of the days of any suspension period a payment of not less than twenty-five dollars ($25) per day and not to exceed five hundred dollars ($500) total. The board shall set the amounts of such payments by regulation.
(3) Payments in lieu of suspension collected by the board shall be deposited in the state treasury and credited to the general expenditure fund.

The Committee Amendment No. 1 to **HB 738** is as follows:

Amend printed copy of **HB 738,** page 12, line 4, to add "[" before the word "or" and "]" after the word "or" and; after the word "revoke" insert "*or suspend*" and;

on page 15, after line 22, by adding the following new subsection:

"*(4) The board may require retesting of any licensee upon proper showing of gross malpractice or incompetence on the part of such licensee*"; and

on page 15, after line 22, by adding the following new section:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 317A IS CREATED TO READ AS FOLLOWS:

(1) The board shall receive complaints concerning any person licensed under the provisions of KRS Chapter 317A relating to such licensee's business or professional practices. Each complaint received shall be placed in a log, recording the licensee's name, name of complaining party, date of complaint, brief statement of complaint and its ultimate disposition and shall make such log available for public inspection. The board shall investigate all complaints concerning any person licensed under the provisions of KRS Chapter 317A. The board may on its own volition initiate such an investigation and shall promulgate such rules and regulations necessary for the administration of the provisions of this section.

(2) If upon investigation there appears to be a violation of the provisions of KRS Chapter 317A, the board shall take such action as it deems necessary under the provisions of Section 5 of this Act."

The Committee Amendment No. 2 to **HB 738** is as follows:

Amend printed copy of **HB 738,** page 9, after line 26, add the following new subsection:

"*(17) Any educational requirements for licensure contained in this Section shall not apply to persons licensed prior to the effective date of this Act.*"

The Committee on Natural Resources and Environment reported **HB 702, HB 704,** and **HR 81** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 702, AN ACT relating to penalties for violating environmental laws.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224.996 is amended to read as follows:
(1) Any person who violates any of the provisions of KRS 224.710 to 224.800 or who fails to perform any duties imposed by KRS 224.710 to 224.800, or who violates any determination or order of the department promulgated pursuant thereto shall be liable to a civil penalty of not to exceed the sum of one thousand dollars

($1,000) for said violation, and an additional civil penalty of not to exceed one thousand dollars ($1,000) for each day during which such violation continues, and in addition, may be enjoined from continuing such violations as hereinafter provided in this section. Such penalties shall be recoverable in an action brought in the name of the Commonwealth of Kentucky by the department's office of general counsel, or upon the secretary's request, by the attorney general.

(2) It shall be the duty of the department's office of general counsel, or upon the secretary's request, of the attorney general to bring an action for the recovery of the penalties hereinabove provided for, and to bring an action for an injunction against any person violating or threatening to violate any provision of KRS 224.710 to 224.800 or violating or threatening to violate any order or determination of the department promulgated pursuant thereto. In any such action any finding of the agency shall be prima facie evidence of the fact or facts found therein.

(3) (a) Any person who shall willfully violate any of the provisions of KRS 224.710 to 224.800 or any determination or order of the department promulgated pursuant to those sections which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) or by imprisonment for a term of not more than one (1) year or by both fine and imprisonment for each separate violation. Each day upon which such violation occurs shall constitute a separate violation.

(b) For violations by motor vehicles, the fine shall be not less than ten dollars ($10) nor more than fifty dollars ($50) for a first offense, and not less than fifty dollars ($50) nor more than one hundred dollars ($100) for each subsequent offense.

(4) The authority herein vested in the department's office of general counsel, or upon the secretary's request, in the attorney general to bring actions for injunctions for violations of KRS 224.710 to 224.800 or of any regulation, or order issued thereto, shall be exclusive. Nothing herein contained shall abridge the right of any person to recover actual compensatory damages resulting from any such violation.

(5) *Whenever* any person *transports, disposes, or generates hazardous waste in violation of the hazardous waste management provisions of this chapter or contrary to a permit, order, or rule issued or promulgated under this chapter or who fails to provide information or to meet reporting requirements required by terms and conditions of a permit or regulations promulgated pursuant to this chapter and the provisions of KRS 224.071 or subsection (6) of this section do not apply, the secretary shall give notice to the violator of his failure to comply with such requirement. If such violation extends beyond the thirtieth (30th) day after the notification, the secretary may issue an order requiring compliance within a specified time period or may commence a civil action in a court of appropriate jurisdiction. The violator* [who violates any of the provisions of KRS 224.890 or who fails to perform any duties imposed by KRS 224.890 or who violates any determination or order of the department promulgated pursuant thereto] shall be liable for a civil penalty not to exceed the sum of twenty-five thousand dollars ($25,000) for each day during which such violation continues, and in addition, may be enjoined from continuing such violations *in a court of appropriate jurisdiction* [as hereinafter provided in this section].

(6) Any person who *knowingly transports, disposes, or generates hazardous waste in violation of this chapter, or contrary to a permit, order, or regulation issued or promulgated under this chapter, or knowingly makes a false statement, representation, or certification in an application for or form pertaining to a permit or in a notice or report required by the terms and conditions of an issued permit, shall be guilty of a Class D felony and upon conviction thereof shall be punished by a fine not to exceed twenty-five thousand dollars ($25,000) for each day of violation or by imprisonment for a term not less than one (1) year and not more than five (5) years or by both fine and imprisonment for each separate violation* [shall wilfully violate any of the provisions of KRS 224.890 or any determination or order of the department promulgated pursuant thereto shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not to exceed twenty-five thousand dollars ($25,000) for each day of violation or by imprisonment for a term not to exceed one (1) year or by both fine and imprisonment for each separate violation]. Each day upon which such violation occurs shall constitute a separate violation. [If the conviction is for a violation committed after a first conviction of such person under this section, punishment shall be by a fine not to exceed fifty thousand dollars ($50,000) for each day of violation or by imprisonment for a term not to exceed two (2) years or by both fine and imprisonment.]

(7) Nothing contained in subsections (5) and (6) of this section shall abridge the right of any person to recover actual compensatory damages resulting from any such violation.

HB 704, AN ACT relating to used oil recovery.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) It is the findings of the general assembly that almost nineteen (19) million gallons of used automotive and industrial oil are generated each year in the state; that used oil is a valuable petroleum resource which can be recycled; and that, in spite of this potential for recycling, significant quantities of used oil are wastefully disposed of or improperly used by means which pollute the water, land, and air and endanger the public health and welfare; and that the inflationary impact of increased oil costs and an accompanying shortage of lubrication oil necessitate that waste oil be recycled.

(2) As used in this section:

(a) "Used oil" means a petroleum based or synthetic oil such as an engine lubricant, engine oil, motor oil, or lubricating oil for use in an internal combustion engine, or a lubricant for motor transmissions, gears, or axles which through use, storage or handling has become unsuitable for its original purpose due to the presence of impurities or loss of original properties.

(b) "Recycle" means to prepare used oil as a petroleum product or petroleum product substitute by refining, re-refining, reclaiming, reprocessing, or other means or to use used oil in a manner that substitutes for a petroleum product or petroleum product substitute made from new oil, provided that the preparation or use is operationally safe, environmentally sound, and complies with all laws and regulations.

(c) "Re-refined oil" means used oil which is re-refined to remove the physical and chemical contaminants acquired through use which by itself or when blended with new oil or additives, is substantially identical or superior to new oil intended for the same purposes, as specified by rules prescribed by the federal trade commission under section 383 (d) (1) of the energy policy and conservation act (P.L. 94-163).

(3) No person shall collect, transport, transfer, store, recycle, use, or dispose of used oil in any manner which endangers the public health or welfare or violates any law or regulation.

(4) No person shall dispose of used oil by discharge into sewers, drainage systems, surface or groundwaters, or incineration other than for energy generating purposes.

(5) The general assembly declares that used oil shall be collected and recycled to the maximum extent possible by means which are economically feasible and environmentally sound in order to conserve irreplaceable petroleum resources, preserve and enhance the quality of natural and human environments, and protect public health and welfare.

(6) All officials of this state and any of its agencies or political subdivisions and persons holding contracts with the state or any of its political subdivisions shall encourage and, to the extent possible, require the procurement and purchase of recycled oil products represented as substantially equivalent to products made from new oil in accordance with this section whenever such products are available at prices competitive with those of new oil produced for the same purposes.

(7) The department shall encourage the establishment of voluntary used oil collection and recycling programs and provide technical assistance to persons organizing such programs.

(8) The department shall establish a list of used oil collectors and the specific counties or areas within the Commonwealth in which each collector has by written agreement or contract with the department agreed to serve. The department shall make arrangements with each waste oil collector for routing schedules to assure that all persons required by subsection (10) of this section to provide collection tanks are regularly served by a used oil collector.

(9) The department shall notify all persons who sell automotive or industrial oils to consumers in an amount in excess of five hundred (500) gallons per year in containers for use off the premises of the used oil collector or collectors who have agreed to serve that area and the proposed collection and routing schedules.

(10) Upon notification that arrangements have been made to collect waste oil in that area, any person who sells automotive or industrial oils to a consumer in an amount in excess of five hundred (500) gallons per year in containers for use off the premises shall either provide a collection tank at the point of sale or inform purchasers by posting at the point of purchase durable and legible signs not less than eight and one-half (8 ½) by eleven (11) inches in size detailing the locations of conveniently located collection facilities within ten (10) miles of that establishment.

(11) A person may represent any product made in whole or in part from used oil to be substantially equivalent to a product made from new oil for a particular end use if the product conforms fully with the specifications applicable to that product made from new oil or if substantial equivalency has been determined in accordance with rules prescribed by the federal trade commission under section 383 (d) (1) of the energy policy and conservation act (P.L. 94-163). Otherwise, the product must be represented as made from previously used oil.

(12) The department shall encourage the use of labeling for oil containers to inform the user of the importance of proper collection and disposal of used oil.

(13) No person, except a person collecting solely from sources owned and operated by that person, shall transport more than five hundred (500) gallons of used oil annually over public highways or maintain any storage facility that receives more than ten thousand (10,000) gallons of used oil annually without first registering as a used oil collector with the department. A registered used oil collector shall:

(a) Transfer used oil only to another registered used oil collector, a recycler registered with the department, or a person outside the state;

(b) Provide a receipt to any person to whom used oil is tranferred; maintain a complete record of all such transactions, documented by reproducible receipts, for two (2) years; and make available to the department, upon request, all records and copies of receipts for the purpose of review and audit;

(c) Submit an annual report to the department on its activities during the calendar year based on the records kept in accordance with this section. The report shall state the quantities of used oil possessed at the beginning and end of the reporting period, the total amount collected, and the amounts transferred during the reporting period. The amounts transferred shall be itemized as to used oil collectors, used oil recyclers, and by the state or foreign country for those persons outside the state.

(14) No person, except a person recycling solely from sources owned and operated by that person, shall recycle more than five thousand (5,000) gallons of used oil annually without first registering as a used oil recycler with the department. A registered used oil recycler shall:

(a) Provide a receipt to any person from whom used oil is received; maintain a complete record of all such transactions, documented by reproducible receipts, for two (2) years; maintain records on the quantities of used oil recycled; and make available to the department, upon request, all records and copies of receipts for the purpose of review and audit;

(b) Submit an annual report to the department on its activities during the calendar year based upon the records kept in accordance with this section. The report shall state the quantities of used oil possessed at the beginning and end of the reporting period, the total amount received, and the amounts recycled during the reporting period. The amounts recycled shall be itemized as follows: prepared for reuse as a petroleum product; consumed in the process of preparing for reuse, including wastes generated; and other uses specifying each type of use.

HCR 81, A CONCURRENT RESOLUTION requesting a review of statutes relating to waste.

WHEREAS, since 1978 major revisions have been made in the statutes of the Commonwealth in relationship to the management of wastes; and

WHEREAS, the urgency with which such changes have been made has not allowed for a thorough review of the format and consistency of these changes; and

WHEREAS, such a review would provide an opportunity to improve the clarity, completeness, and organization of the statutes and to examine the manner in which they have been implemented, their comprehensiveness, and their effectiveness;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Interim Joint Committee on Agriculture and Natural Resources or its successor committee be requested to conduct a review of the waste statutes of the Commonwealth during the 1980-81 interim; and

Section 2. That the committee submit its recommendations for statutory revision to the 1982 General Assembly.

Section 3. It is estimated that this review and staff services will cost approximately $6,000, such monies to be provided from the regular budget of the Legislative Research Commission.

The Committee on State Government reported **HB 74, HB 457** with Committee Amendment attached thereto, **HB 717, HB 796, HB 851, HB 887, HCR 83, HJR 34,** and **SB 134** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 74, AN ACT relating to payment of a bonus to certain veterans who served during the Viet Nam conflict and certain persons deriving from them, providing for funding thereof, and appropriating funds for administration.

WHEREAS, the electorate of the Commonwealth of Kentucky, at the regular election on November 3, 1959, approved the payment of a cash bonus to qualified veterans of the Spanish American War, World War I, World War II, and the Korean conflict as an expression of appreciation for their service to the United States of America; and

WHEREAS, many citizens of the Commonwealth served at great personal sacrifice in the armed forces of the United States during the Viet Nam conflict; and

WHEREAS, the General Assembly of the Commonwealth of Kentucky finds it appropriate to express to those citizens the gratitude of all of the citizens of the Commonwealth by the payment of a bonus to all veterans qualified hereunder who served in the armed forces of the United States in the Viet Nam conflict;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

A bonus shall be paid by the Commonwealth of Kentucky in the amounts and to the persons determined in accordance with the provisions of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

As used in this Act, the following terms have the following respective meanings, unless another meaning is clearly required by the context:

(1) "Center" means the Kentucky center for veterans' affairs;

(2) "Administrator" means the manager of the Kentucky center for veterans' affairs;

(3) "Armed forces" means the United States Army, Navy, Marine Corps, Air Force and Coast Guard, including the reserve components thereof on active duty, and shall not include the merchant marine;

(4) "Viet Nam veteran" means any person who served in the armed forces of the United States for a period of ninety (90) days or more (exclusive of time spent AWOL; or in penal confinement as a result of a sentence imposed by court-martial), who has been released, separated or discharged from the armed forces under honorable conditions, and who was on active duty with the armed forces in Southeast Asia for any period between August 5, 1964 and August 28, 1973;

(5) "Qualified Viet Nam veteran" means a Viet Nam veteran who:

(a) Was a resident of the Commonwealth at the time of entry into active service in the armed forces and for at least six (6) months prior thereto;

(b) Served at least ninety (90) days active duty, unless the duty was earlier terminated for medical reasons determined to be service-connected by the armed forces or the veterans' administration;

(c) Has served during the period of eligibility as evidenced by separation papers or discharge from the United States armed forces;

(d) Was entitled to either the armed forces expeditionary medal or the Viet Nam service medal; and

(e) If living, was a resident of the Commonwealth on December 31, 1977; or if deceased at that time, was survived by a beneficiary who was a resident of the Commonwealth on December 31, 1979, and

Provided further, that if the legal spouse of a qualified veteran was a legal resident of Kentucky on December 31, 1979, or if the qualified veteran was unmarried, his surviving mother or father were legal residents of Kentucky on December 31, 1979, such shall constitute a rebuttable presumption that the veteran lived in Kentucky on that date.

(6) "Resident of the Commonwealth at the time of entry into the active service" means any person who gave the Commonwealth of Kentucky, or any specific place in this Commonwealth, as his place of residence at such time of entry. Conclusive and exclusive evidence of such giving of place of residence shall be the official records on file in the department of defense of the United States, or any official record thereof in the files of the veterans' administration of the United States; but if it be shown to the satisfaction of the administrator that for any reason no such record was made, or that the same has been lost, misplaced or destroyed, or that an authenticated copy thereof cannot be obtained within a reasonable time, other evidence of bona fide residence may be accepted if deemed sufficient by the administrator;

(7) "Resident," in any context other than as in subsection (6) of this section, means a legal resident as determined by generally established principles of law, as may be defined, and subject to proof, according to such regulations as the administrator may promulgate; except that those applicants who reside in an incorporated town part of which lies in Kentucky will be presumed to have a legal residence in Kentucky;

(8) "Beneficiary" means in this order, widow, child or children (sharing equally), mother, father, and no other;

(9)(a) "Widow" means a woman who was the wife of a Viet Nam veteran at the time of his death, and who had not deserted him (except where there was a separation which was due to the misconduct of, or procured by, the veteran without the fault of the wife), and who had not remarried, (unless the purported remarriage was void or had been annulled);

(b) The term "widow" also includes "widower" in the case of a man who was the husband of a female Viet Nam veteran at the time of her death;

(10) "Child" means a person:

(a) Who is under the age of eighteen (18); or

(b) Who, before attaining the age of eighteen (18) years, became permanently incapable of self-support; or

(c) Who, after attaining the age of eighteen (18) years and until completion of education or training (but not after attaining the age of twenty-one (21) years) is pursuing a course of instruction at a bona fide educational institution; and who, in relationship to the veteran, is a legitimate child; a legally adopted child; a step-child who is a member of a Viet Nam veteran's household or was a member at the time of the veteran's death; or an illegitimate child, but, as to the alleged father, only if acknowledged in writing signed by him or if he had, before his death, been judicially decreed to be the father of such child;

(11) "Mother" means a mother, a mother through adoption, or a woman who for a period of not less than one (1) year stood in the relationship of a mother to a qualified Viet Nam veteran before his or her entry into active service in the armed forces, or if two (2) persons stood in such relationship for one (1) year or more, the person who last stood in such relationship before the veteran's last entry into active service in the armed forces;

(12) "Father" means a father, a father through adoption, or a man who for a period of not less than one (1) year stood in the relationship of a father to a qualified Viet Nam veteran before his or her entry into active service in the armed forces, of if two (2) persons stood in such relationship for one (1) year or more, the person who last stood in such relationship before the veteran's last entry into active service in the armed forces;

(13) "In the Continental United States" means any place in the District of Columbia and the States of the United States which are on the North American Continent, exclusive of Alaska;

(14) "Outside the Continental United States" means any place elsewhere than as defined in subsection (13) of this section;

(15) "Bonus" and "Viet Nam veteran's bonus" mean the compensation authorized by this Act;

(16) "Bonus claim" means a claim or potential claim for a Viet Nam veteran's bonus; and

(17) "Claimant" means one who seeks to obtain payment of a bonus claim.

SECTION 3. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

No bonus shall be paid to any member of the armed forces of the United States who did only civilian work at civilian pay, who has received from another state a bonus or compensation of a like nature as is provided by this Act, or who received the Kentucky veterans' bonus under the provisions of Chapter 48, Acts of the Regular 1958 Session of the General Assembly, and Chapter 15, Acts of the Regular 1960 Session of the General Assembly.

SECTION 4. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

(1) Every person determined by the administrator to be a qualified Viet Nam veteran shall be paid the sum of nine dollars ($9.00) for each month and major fraction of a month of active duty, in the armed forces in the Continental United States, not to exceed in all the sum of three hundred dollars ($300.00); and the sum of fifteen dollars ($15.00) for each month and major fraction of a month of such service outside the Continental United States, subject to an aggregate limit for all service in the sum of five hundred dollars ($500.00).

(2) If a person determined to have been a qualified Viet Nam veteran shall be deceased at the time payment of the bonus would otherwise be made to him, the amount of his bonus shall be paid to the first surviving beneficiary, if any, according to the order of priority defined in Section 2(8) of this Act and if there be no surviving beneficiary, the bonus of such veteran shall lapse, and no payment thereof shall be made.

(3) A beneficiary (as defined in Section 2, subsections (8), (9), (10), (11), and (12) of this Act) of a person killed in the line of duty while serving in the armed forces of the United States in Southeast Asia during the period of eligibility, or who died of service-connected injury sustained while so serving, and who would otherwise have qualified for the bonus provided in Section 4, subsection (1) of this Act, shall be paid three hundred dollars ($300.00) if no part of the total service during the period was served outside the Continental United States or five hundred dollars ($500.00) if any part of the total service during the period was served outside the Continental United States. The provisions of Section 4(1) of this Act and the minimum period of service for entitlement to a bonus as established by Section 2(4) of this Act shall not apply to these beneficiaries. However, this exception does not waive the respective maximums of three hundred dollars ($300.00) or five hundred dollars ($500.00) for each veteran, person killed in the line of duty while on active duty in the armed forces, or person who died as a result of service-connected injury sustained while on active duty in the armed forces. Payment shall be made to a beneficiary in the order of priority defined in Section 2, subsection (7) of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

The center for veterans' affairs shall administer the provisions of this Act and shall:

(1) Prepare and make available forms on which applications for the bonus shall be made;

(2) Employ such additional personnel as may be required for orderly and expeditious administration;

(3) Promulgate all rules and regulations required for the effective administration of this Act; and

(4) Report annually to the governor and the legislative research commission within sixty (60) days after the end of each fiscal year during its administration of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

All applications for the bonus shall be submitted to the administrator, in writing, upon forms made available by the center, and shall be accompanied by such documentary evidence as the center may by regulation prescribe. Every application shall be certified under the penalties of perjury, and shall contain representations of the claimant (or, if he shall have been adjudged incompetent, or be an infant, of his committee or guardian), that:

(1) The facts therein stated are true to the best of his knowledge and belief;

(2) All documents submitted in support of the application are believed by the claimant to be genuine originals or copies, as the case may be, and that the claimant has no knowledge that the document has been superseded or cancelled;

(3) The claimant has not received from another state a bonus or compensation of a like nature as provided by this Act;

(4) The claimant has not received the Kentucky veterans' bonus provided under Chapter 48, Acts of the Regular 1958 Session of the General Assembly, and Chapter 15, Acts of the Regular 1960 Session of the General Assembly;

(5) The claimant has neither paid nor agreed to pay, directly or indirectly, any compensation for assistance received in preparing and tendering the application; and

(6) The claimant has knowledge of the final and forfeiture provisions of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

(1) No application shall be filed with or sent to the administrator before the 1st day of September, 1980.

(2) No application may be filed with or sent to the administrator after the thirty-first day of March, 1982; but if an application be sent by mail, the administrator shall receive it if the post-mark on the envelope shows date and time of mailing at or before midnight, central standard time, on or before the thirty-first day of March, 1982.

(3) Applications tendered to the administrator otherwise than as provided in (1) and (2) above shall not be eligible for consideration under this Act and shall not be accepted. Each such application received by mail shall be returned to the sender, if a return address be given, together with notification of the reason for its return.

SECTION 8. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

No claimant shall be entitled to an oral hearing as a matter of right; but the administrator may in his discretion order a hearing in any case presenting unusual circumstances, or where it appears that documentary evidence of any material fact cannot reasonably be obtained, or where the claim cannot otherwise adequately be determined. The administrator may investigate any matter which in his judgment is not adequately proven, or which shows or raises an inference of fraud; and may require submission of supplementary proof.

SECTION 9. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

A hearing ordered by the administrator shall be conducted by a single person designated by the administrator. Formalities of judicial procedure and proof may be waived. No stenographic transcript of the proceedings shall be made except when specifically authorized by the administrator, and in the absence of such authorization the hearing officer shall submit to the administrator his written summary of the proceedings. There shall be no right to written or oral argument; but the administrator may, in his discretion, authorize either.

SECTION 10. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

The burden of proving to the satisfaction of the administrator that a bonus is payable shall in all cases be upon the claimant.

SECTION 11. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

The administrator shall make prompt determination that each application is approved or disapproved for payment of a bonus; and if approved, shall determine the amount to be paid according to the provisions of this Act.

SECTION 12. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

(1) If a claim is disapproved, the administrator shall send a notice of such decision to the claimant by mail at the address shown in the application. The notice shall be in such form as the administrator may determine, shall contain a designation of the reason for disapproval, shall inform the claimant of his right to seek review, shall have attached such form of request for review as the administrator may prescribe, and shall give information as to procedure for review.

(2) Application for review of the administrator's disapproval shall be made only on the forms prescribed and furnished by the administrator; and shall be received in the office of the administrator by the closing hour in the thirtieth (30th) day after the day upon which the notice of the disapproval is mailed by the administrator, or be forever barred.

(3) Upon receiving an application for review, the administrator shall transmit the same, together with the original application and all papers in the case, to the board of review, hereinafter created.

(4) The board of review shall promptly consider the same evidence which was available to the administrator, and shall promptly enter in the case file its decision either finally affirming the administrator's decision, or finally determining the claim and the amount thereof.

(5) The board of review shall send a notice of its decision to the claimant by registered mail, and shall return the case file to the administrator. The decision of the board of review shall be a final determination of the claim shown in the application.

SECTION 13. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

If the administrator shall disapprove any claim, or if the decision of the board of review be affirmance of the administrator's disapproval of the claim:

(1) No payment of a bonus shall be made,

(2) The administrator, upon receiving advice of the decision, shall note the same in a permanent book or record in his office; shall forthwith return to the claimant the copies of any official records submitted in support of the application; shall finally close the claim file; and may destroy all other papers except the application.

SECTION 14. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

(1) If a claim is approved by the administrator or finally approved upon resort to the board of review, the administrator shall promptly certify to the secretary for finance and administration the names and addresses of persons found entitled to be paid, as shown in the application, and the amount payable to each.

(a) A copy of each such certificate shall be sent to the commissioner of revenue, who shall promptly ascertain from the records of his department whether any person proposed to be paid a bonus is delinquent in the payment of any tax liability to the Commonwealth. No delinquency shall be deemed to exist as to any asserted tax liability which is the subject of a bona fide dispute. If any delinquency be found to exist, the commissioner of revenue shall within three working days after this receipt of the certificate, furnish the details thereof to the secretary for finance and administration; and if no advice of tax delinquency is received by the secretary before the end of the fourth working day after his receipt of certification from the administrator, he shall, for the purposes of this Act, conclusively presume that no delinquency of tax liability to the Commonwealth exists, but such presumption shall apply only to the existence or absence of a set-off by the Commonwealth against a certified claim for a bonus, and shall not alter the facts as between the Commonwealth and any taxpayer.

(b) If no advice of tax delinquency is received within such allowed time, the secretary for finance and administration may approve payment in accordance with the certificate of the administrator, and may immediately draw a warrant on the state treasury for a check in payment.

(c) Upon receipt of such warrant the state treasurer shall issue a check in accordance therewith payable from funds made available in accordance with this Act, and the same shall promptly be mailed to the payee thereof at the address shown in the certificate.

(2) If the secretary for finance and administration shall, within the allowed time, receive advice from the commissioner of revenue of the existence of a delinquency on the part of any person having an approved claim for a bonus, as to any tax liability to the Commonwealth, the secretary shall note the same on the certificate of the administrator, withhold payment, and forthwith send to the claimant by registered mail a notice of the asserted delinquency, and the amount thereof, and that it is proposed that the same be set off against the bonus payment.

(a) If the secretary for finance and administration receives no protest in his office within ten (10) working days after recording such notice, he shall conclusively presume that the proposed set off is just, shall apply the amount thereof in reduction or extinguishment of the payment certified by the administrator, and shall advise the commissioner of revenue of the amount set off against the bonus, which advice shall be noted by the commissioner of revenue on the records of his office as a credit upon the delinquent tax liability.

(b) If the tax set-off does not consume the entire amount of the bonus as certified by the administrator, the commissioner shall draw a warrant upon the state treasury for a check in the amount of the remainder, and upon receiving such check from the state treasurer shall send the same, together with advice of the set-off, by mail, to the payee at the address shown in the certificate of the director.

(3) If the secretary for finance and administration receives from the claimant a protest of the asserted tax delinquency, within the allowed time, the secretary shall withhold approval for payment, and shall refer the protest to the commissioner of revenue for disposition.

(4) If a tax set-off is made, and the claimant shall assert error with regard thereto, the exclusive remedy shall be by seeking refund from the commissioner of revenue.

SECTION 15. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

(1) Claims for payment of a bonus shall not be assignable before or after approval thereof; and any attempted or purported assignment received by or tendered to any officer of the Commonwealth shall be void, need not be acknowledged or returned, and may be disregarded.

(2) Payments of the bonus shall be exempt from all taxation by the Commonwealth, its political subdivisions and taxing districts.

(3) No claim for payment of a bonus and no payment made by the Commonwealth under this Act shall give rise to a cause of action against the Commonwealth or any of its officers, agents, or employes, and no claim for payment shall be subject to attachment, levy, garnishment or seizure by or under any legal or equitable process whatever; but this provision shall not extend exemption from legal process to the proceeds of any bonus payment after the same has been received from the Commonwealth.

(4) The Commonwealth does not consent to be sued in any court with regard to any matter connected with or arising out of claims for payment of the bonus herein authorized.

SECTION 16. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

(1) There shall be a board of review consisting of nine (9) persons who are residents and qualified voters of the Commonwealth, appointed by the governor without limitation as to political affiliation, religion, race, sex, or past or present service in the armed forces, except that six (6) members of this board shall be veterans. The name of said board shall be "The Viet Nam Veterans' Bonus Board of Review." The governor shall designate a chairman and a secretary from among the membership.

(2) Three (3) members and no more shall constitute a board of review, and shall by concurrence of two (2) members decide any claim which comes before the board in the manner provided in this Act. The chairman of the board shall designate three (3) members to consider and decide each claim, having due regard for availability for service so that delay may be avoided.

(3) The chairman and secretary shall devote their full time to the affairs of the board and shall receive compensation at the rate to be fixed in accordance with personnel standards fixed by the commissioner of personnel until the functions of the board are performed and the board is dissolved as hereinafter provided. Other members of the board shall be compensated twenty-five dollars ($25.00) per diem, but only for actual time served in considering and deciding claims for veterans' bonuses pursuant to designation by the chairman. All members of the board shall be reimbursed for necessary travel to and from their places of residence, and in performance of duties pursuant to assignment, at the rate of eight cents per mile.

(4) Each claim coming before the board shall promptly be considered and decided by the three (3) members designated for that purpose. In every case the board shall either (a) affirm the decision of the administrator, or (b) determine that a veterans' bonus should be paid, and to what persons and in what amounts. No written opinions or recitations of reasons for any decision need be made. A statement of the decision made shall be signed by at least two (2) of the three (3) members designated to decide the claim; and upon concurrence of two (2) members a decision shall be final and not subject to reconsideration.

(5) When, after April 1, 1982, the board of review shall have decided all cases coming before it for decision, the chairman shall report such fact to the governor in writing. The governor shall thereupon declare that the board of review is dissolved, and shall so notify the members, and the functions and duties of the board shall be deemed to have been fully performed.

SECTION 17. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

Any person who charges or collects or attempts to charge or collect either directly or indirectly, any fee or other compensation for assisting in any manner a person seeking to obtain payment of a bonus under this Act, shall be guilty of a misdemeanor and upon conviction thereof, shall be subject to a fine of not more than five hundred dollars ($500) or imprisonment for a term of not more than six (6) months, or both; but this provision is not intended to prohibit:

(1) Collection by public officers of statutory fees for providing authenticated copies of public records, or

(2) The giving of assistance or advice to claimants by any bona fide veteran's organization, civic organization, institution, public or private body, or person, through one (1) or more persons compensated from

the funds of such organization, institution, or public or private body or person, if no fee or charge therefor is collected from the asserted claimant.

SECTION 18. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

Whoever makes any false or fraudulent statement of a material fact in any application, affidavit, certificate or document submitted or tendered for the purpose of obtaining payment of a bonus under this Act, shall be guilty of a felony and, upon conviction thereof, shall be fined not more than one thousand dollars ($1,000) or imprisoned for a term of not more than two (2) years, or both.

SECTION 19. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

Any person conspiring to obtain payment of a fraudulent claim for a bonus under this Act, or conspiring to defraud one who receives payment or has a bona fide claim for payment of a bonus, shall be guilty of a felony, and upon conviction thereof, shall be fined not more than one thousand dollars ($1,000) or imprisoned for not more than two (2) years, or both.

SECTION 20. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

Any person convicted of any offense denounced in Sections 16, 17, and 18 of this Act shall forfeit his or her right, if any, to receive any payment authorized by this Act.

SECTION 21. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

Funds required for payment of the bonus authorized by this Act shall be deemed a necessary governmental expense and paid by the state treasurer upon approval of the executive department for finance and administration.

Section 22. There is hereby appropriated to the center for veterans' affairs, department for human resources, for fiscal year 1980-81, the sum of three hundred and fifty thousand dollars ($350,000) for use in the administration of this Act. The appropriated funds shall be paid from the general fund; any unexpended funds shall not lapse but shall be carried forward into fiscal year 1981-82.

HB 457, AN ACT relating to public contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.600 is amended to read as follows:

(1) Any party not otherwise exempted by KRS 45.590 and intending to submit a bid on any contract covered by the provisions of KRS 45.560 to 45.640 shall within a reasonable period of time as determined by the executive department for finance and administration submit to the contracting agency and the department upon being declared the successful bidder:

(a) A statement of intent to comply in full with all requirements of the Kentucky civil rights act, and to submit data required by KRS 45.560 to 45.640 upon being designated the successful bidder.

(b) A breakdown of the bidding party's existing work force, indicating the race, sex, age, position held, county and state of residence, and date of employment of each employe.

This report shall be submitted in a manner as shall be prescribed by the department and on forms devised by the department and supplied by the contracting agency.

(2) Within ten (10) days after the receipt of this report, the department shall determine whether the bidding party's work force is reflective of the percentage of available minorities in the area from which the bidding party's employes are drawn. If a determination is made that the bidding party's work force is reflective of the percentage of available minorities in this drawn area, the bidding party shall be "certified" and be thereby qualified to bid on any contract covered by KRS 45.560 to 45.640 without filing additional data for a period of six (6) months.

(3) If it is determined by the department that the bidding party's work force reflects an under utilization of minorities, the bidding party and contracting agency shall be so notified, and no certification shall be issued. The bidding party shall then have the option of filing with the contracting agency and the department, an affirmative action program, indicating goals and timetables for recruiting and hiring minorities throughout the contractors' work force. The department shall be available, upon the request of any contractor, to furnish technical assistance in fulfilling the requirements of KRS 45.560 to 45.640.

(4) If the bidding party is subsequently awarded the contract being sought, failure to comply with the goals and timetables set forth in the affirmative action plan shall be an unlawful practice under KRS 45.560 to 45.640 and shall constitute a material breach of the contract *and the contract shall be cancelled.*

(5) If the department determines that the submitted affirmative action program does not fulfill the provisions of KRS 45.560 to 45.640, the bidding party and contracting agency shall be so notified, and no certification shall be granted.

(6) If the bidding party's workforce is not reflective of the percentage of minorities in the drawing area and he has complied with all other affirmative action requirements in KRS 45.560 to 45.640, he may certify by verified affidavit *and supporting documents showing that minorities were properly solicited,* that he has made every reasonable effort to comply with said percentage requirements, and he shall thereafter be entitled to all the benefits of KRS 45.560 to 45.640.

Section 2. KRS 45.620 is amended to read as follows:

(1) If any contractor is found by the department to have engaged in an unlawful practice under this chapter during the course of performing under a contract or sub-contract covered under KRS 45.560 to 45.640, the department shall so certify to the contracting agency and such certification shall be binding upon the contracting agency unless it is reversed in the course of judicial review.

(2) If the contractor is found to have committed an unlawful practice under KRS 45.560 to 45.640, the contracting agency *shall* [may] cancel or terminate the contract[, conditioned upon a program for future compliance approved by the contracting agency and the department]. The contracting agency *shall* [may] declare such a contractor ineligible to bid on further contracts with that agency until such time as the contractor complies in full with the requirements of KRS 45.560 to 45.640.

(3) The equal employment provisions of KRS 45.560 to 45.640 may be met in part by a contractor by subcontracting to a minority contractor or subcontractor. For the provisions of KRS 45.560 to 45.640, a minority contractor or subcontractor shall mean a business that is owned and controlled by one or more persons disadvantaged by racial or ethnic circumstances.

SECTION 3. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

Ten percent (10%) of all contracts covered under the provisions of KRS 45.560 to 45.640 shall be awarded to minority contractors as referred to in KRS 45.620(3).

SECTION 4. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

There is established within the department of finance, the office of contract compliance, which shall be headed by an executive director responsible to the secretary of finance. The governor shall appoint the director and set his salary.

SECTION 5. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The office of contract compliance shall deal exclusively with the implementation of the Kentucky equal employment opportunity act of 1978. To perform this function, the office of contract compliance shall:

(1) Administer and enforce the provisions of the act.

(2) Establish procedures to effectuate the provisions.

(3) Make all determinations as to compliance with provisions of the act.

(4) Meet with contractors, subcontractors and contracting agencies for the purpose of enforcing subsections (1), (2) and (3) of this section.

The Committee Amendment No. 1 to **HB 457** is as follows:

Amend printed copy of **HB 457,** page 2, line 26, after the word "plan" insert the following: *or to show substantial good faith efforts to comply,*

page 4, line 20, before the word "Ten", insert the following:

"Positive good faith efforts shall be made to award" and after the word "all", delete the words "contracts covered under" and insert in lieu thereof, the following: "work covered by contracts subject to"

line 21, delete "shall be awarded"

line 22, after the period, insert the following:

"A list of Kentucky minority contractors certified in accordance with the provisions of KRS 45.600(2), shall be maintained by the Department of Finance and Administration, and such list shall accompany all advertisements for bid or invitations to bid on all contracts subject to KRS 45.560 to 45.640.

It shall be considered a good faith effort to comply with the provisions of this chapter to show that Kentucky minority contractors, as defined, have been solicited and afforded an opportunity to bid or quote on contracts subject to KRS 45.560 to 45.640."

page 5, line 2, delete the word "shall" and insert in lieu thereof the words "may either"

line 3, after the word "director" insert the following: "from his present staff or create a new position"

beginning at line 6, delete lines 6, 7 and 8

line 9, delete "function,"

line 16, after the word "subcontractors" insert the following: ", bonafide labor organizations,"

HB 717, AN ACT relating to state property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 56.463 is amended to read as follows:

The department shall have the power and duty:

(1) To determine the comparative needs and demands of the various state agencies for acquiring real estate and for building projects.

(2) To purchase or otherwise acquire all real property determined to be needed for state use and upon the approval of the commissioner of the executive department for finance and administration as to the determination of need and as to the action of purchase or other acquisition, except as provided in KRS chapters 175, 176, 177, and 180. All such acquisitions of real property or interests therein shall be made in accordance with KRS 45.360.

(3) To sell or otherwise dispose of all property, including any interest in real property, of the state that is not needed or has become unsuitable for public use or would be more suitable consistent with the public interest for some other use as determined by the commissioner of the executive department for finance and administration. All such sales or other disposition shall be made in accordance with KRS 45.360.

(4)(a) To control the use of any real property owned or otherwise held by the Commonwealth, or any state agency, and to determine for what periods of time and for what purposes any state agency may use the same, including the agency for whose use it was initially acquired or improved, and to determine what appropriate uses shall be made of such real property during periods that the department finds the same is not required for the purposes of any particular state agency. The department shall allocate to the general assembly and the legislative research commission the amount of space within the new state capitol annex, *including but not limited to space* in the east basement portion adjacent to the parking garage, not exceeding a total of *thirty-five* [ten] thousand *(35,000)* [(10,000)] square feet, as the general assembly or legislative research commission may request.

(b) To determine the housing and furnishings needs of the various state agencies located in Frankfort and to establish and put into effect a permanent program for housing them. Subject to paragraph (a) of this subsection, the department is also authorized and directed to allocate office space and furnishings in existing public buildings located in Frankfort, exclusive of the third and fourth floors of the new state capitol, according to the needs of the various agencies and when necessary to provide additional office space and furnishings in Frankfort under any building program the department deems most advisable and economical for the state. The permanent housing program shall include provisions for housing the general assembly and its related agencies, including the legislative research commission, and its subcommittees, the executive offices, the Supreme Court and the clerk of the Supreme Court, the department of law and the law library, in the new state capitol, provided the general assembly and the legislative research commission shall have complete control and exclusive use of the third and fourth floors of the new state capitol and shall have exclusive use of the space in the new state capitol annex allocated to them under paragraph (a) of this subsection. If there be any additional space in the capitol, it shall be assigned to agencies whose activities are most closely related to the agencies directed to be located permanently in the capitol.

(5) To acquire, by condemnation in the manner provided in the Eminent Domain Act of Kentucky, any real estate necessary for use by the state or by any state agency, when the department is unable to agree with the owner thereof on a price for such real estate.

(6) To lease any real property, or any interest in such real property, owned by the state or any agency thereof, in accordance with KRS 45.360.

(7) To provide for and adopt such plans and specifications as may be necessary, to advertise for and receive bids for any expenditures proposed to be made, to award contracts for the purpose authorized, to supervise construction and make such changes and revisions in plans and specifications or in construction as may become necessary, and generally to do any and all other things as may become necessary or expedient

in order to effectively fulfill and carry out the purposes of this chapter, including the right to employ such clerks, engineers, statisticians, architects or other persons required to be employed in order to fulfill the functions of the Commonwealth relating to state property and buildings provided in KRS 56.450 to 56.550.

(8) To adopt such rules and regulations as may be necessary to govern the acquisition, control, and disposition of the real property to which this section is applicable.

HB 796, AN ACT relating to state personnel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18.190 is amended to read as follows:

The commissioner of personnel shall be the executive and administrative head of the department of personnel and shall supervise and control all examinations and work of the department. He shall act as the personnel board's adviser on all matters pertaining to the civil service of this state. Within the limitations of the budget, the commissioner of personnel shall appoint and supervise such staff as may be needed in the department of personnel to carry out the purposes of KRS 18.110 to 18.360. It shall be the duty of the commissioner of personnel, with the aid of his staff to:

(1) Attend all meetings of the personnel board;

(2) Prepare and recommend to the personnel board rules and regulations for the purpose of carrying out the provisions of KRS 18.110 to 18.360. Such rules shall provide, among other things, the manner of completing appointments and promotions, including multiple and simultaneous certifications; rejection of ineligible candidates; competitive examinations; creation of eligible lists with successful candidates ranked according to their rating in the examination; leaves of absence with and without pay; transfers, reinstatements, lay-offs; public notice of examinations; procedures for changes in rates of pay; and other conditions of employment;

(3) Establish general procedures for personnel recruitment, for certification, for improving the efficiency of employed personnel, and for the separation of employes deemed unsatisfactory or excessive by agency or department heads subject to the provisions of KRS 18.110 to 18.360;

(4) Appoint such examiners and technicians as are necessary for the conduct of the personnel program, whether on a permanent or temporary basis;

(5) Prepare and maintain a record of all employes, showing for each employe his name, post-office address, title of position held, rate of compensation, changes in status, compensation, or title, transfer, and to make such data and the class specifications for all positions available to the press and public;

(6) *Prepare and maintain records of the turn-over of employes, including separate records of employes who leave state service and employes who transfer from one (1) state agency to another and findings of the reasons for the turnover of employes;*

(7) Prepare, in accordance with the provisions of KRS 18.110 to 18.360 and the rules adopted thereunder, examinations, eligible lists, and ratings of candidates for appointment;

(8)[(7)] Make certification for appointment or promotion within the classified service, in accordance with the provisions of KRS 18.110 to 18.360;

(9)[(8)] Make investigations concerning all matters touching the enforcement and effect of the provisions of KRS 18.110 to 18.360 and rules and regulations prescribed thereunder;

(10)[(9)] Prepare, in cooperation with appointing authorities and others, programs for appraising employe work performance and collaborate with the several departments of the Commonwealth in the development of programs for employe training, safety, morale, work motivation, health, counseling, and welfare, and exercise leadership in the development of effective personnel administration within the several departments of the Commonwealth, and make available the facilities of the department of personnel to this end;

(11)[(10)] Provide personnel services to unclassified employes in agreement with the agencies involved not otherwise provided for herein;

(12)[(11)] Present, in accordance with the provisions of KRS 45.070, budget estimates for the support of the personnel system created by KRS 18.110 to 18.360;

(13)[(12)] Make a report and submit the same to the personnel board and to the governor not later than October first of each year; and

(14)[(13)] Discharge such other duties as are imposed upon him by KRS 18.110 to 18.360, or by the board. The commissioner of personnel on behalf of the department may join or subscribe to any association or service having as its purpose the interchange of information relating to the improvement of the public service and especially improvement of personnel administration.

HB 851, AN ACT relating to housing:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 80.140 is amended to read as follows:

(1) An authority may acquire by gift, devise, bequest, lease, grant or purchase, solely from the funds provided under authority of this chapter, lands, structures or interests in land necessary for the building of low-cost housing projects, upon terms, prices or considerations considered reasonable by the authority and agreed upon between the authority and the owner. Title to all property acquired by the authority shall be taken in the corporate name of the authority.

(2) (a) An authority in a city of the first class shall disclose to the public the location of any land, structures or interests in such property being considered for the building or operation of low cost housing projects at least thirty (30) days prior to adopting any resolution to proceed with the acquisition of such land, structures or interests in such property. Disclosure shall be by placement of a sign, clearly visible to the public, on the property proposed to be acquired. The sign shall state "proposed low cost housing site" in letters three (3) inches in height. The time, place and date of a public hearing shall be in letters at least one (1) inch in height.

(b) The authority shall hold a public hearing in a location easily accessible to the public in the vicinity of the proposed low cost housing project, at least ten (10) days prior to adopting a resolution to proceed with acquisition of land, structures or interests in such property for such projects. Notice of the hearing shall be published in accordance with the provisions of KRS Chapter 424.

Section 2. Whereas the neighborhoods of residents of cities of the first class are currently being disrupted by the ongoing practice of land acquisition by housing authorities without notice to the public, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HB 887, AN ACT relating to state purchasing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.360 is amended to read as follows:

(1) The executive department for finance and administration shall purchase, or shall delegate and control the purchase of, the combined requirements of all spending agencies of the state including, but not limited to, interests in real property, contractual services, rentals of all types, supplies, materials, equipment, and services, except that competitive bids may not be required:

(a) For contractual services where no competition exists, such as telephone service, electrical energy, and other public utility services;

(b) When in the judgment of the executive department for finance and administration food, clothing, equipment, supplies, or other materials to be used in laboratory and experimental studies can be purchased otherwise to the best advantage of the state; and instructional materials available from only one (1) source;

(c) Where rates are fixed by law or ordinance;

(d) For library books;

(e) For commercial items that are purchased for resale;

(f) For professional, technical, scientific, or artistic services (Contracts exempted by this provision shall be reviewed and approved in accordance with KRS 45.535);

(g) For all other commodities, equipment and services which, in the reasonable discretion of the executive department for finance and administration, are available from only one (1) source; and

(h) Interests in real property.

(2) Nothing in this section shall deprive the executive department for finance and administration from negotiating with vendors who maintain a general service administration price agreement with the United States of America or any agency thereof, provided, however, that no contract executed under this provision shall authorize a price higher than is contained in the contract between general service administration and the vendor affected.

(3) The executive department for finance and administration shall have supervision over all purchases by the various spending agencies, except as otherwise provided by law, and shall prescribe rules and regulations to govern purchasing by or for all such agencies, subject to the approval of the secretary of the executive department for finance and administration, and shall publish a manual of procedures to be distributed to agencies and to be revised upon issuance of amendments to such procedures. No purchase or contract shall be binding on the state or any agency thereof unless approved by the department or made under general regulations which the executive department for finance and administration may prescribe.

(4) The executive department for finance and administration shall adopt regulations to require agencies to take and maintain inventories of plant and equipment. The executive department for finance and administration shall conduct periodic physical audits of inventories.

(5) The executive department for finance and administration shall require all agencies to furnish an estimate of specific needs for supplies, materials, and equipment to be purchased by competitive bidding for the purpose of permitting scheduling of purchasing in large volume. It shall establish and enforce schedules for purchasing supplies, materials, and equipment. In addition, all agencies shall submit to the executive department for finance and administration prior to the beginning of each fiscal year an estimate of all needs for supplies, materials, and equipment during that year which will have to be acquired through competitive bidding.

(6) The executive department for finance and administration shall have power, with the approval of the secretary of the executive department for finance and administration, to transfer between departments, to salvage, to exchange, and to condemn supplies, equipment, and real property.

(7) The executive department for finance and administration shall sell or otherwise dispose of all property (including any interest in real property) of the state which is not needed or has become unsuitable for public use, or would be more suitable consistent with the public interest for some other use, as determined by the secretary of the executive department for finance and administration. The determination of the secretary of the executive department for finance and administration shall be set forth in an order, and shall be reached only after review of a written request by the agency desiring to dispose of the property. Such request shall describe the property and state the reasons why the agency believes disposal should be effected. All instruments required by law to be recorded which convey any interest in any such real property so disposed of shall be executed and signed by the secretary of the executive department for finance and administration and approved by the governor. Unless the secretary of the executive department for finance and administration deems it in the best interest of the state to proceed otherwise, all such property (including any interests in real property) shall be sold either by invitation of sealed bids or by public auction, provided however that the selling price of any interest in real property shall not be less than the appraised value thereof as determined by the department, or the department of transportation for such requirements of that department.

(8) Except as provided in KRS Chapters 175, 176, 177 and 180, and subject to the provisions of KRS Chapter 45A, the executive department for finance and administration shall purchase or otherwise acquire all real property determined to be needed for state use, upon the approval of the secretary of the executive department for finance and administration as to the determination of need and as to the action of purchase or other acquisition, provided that the amount paid shall not exceed the appraised value as determined by the department, or the department of transportation (for such requirements of that department), or value set by eminent domain procedure.

(9) Real property or any interest therein may, subject to the provisions of KRS Chapter 45A, be purchased, leased, or otherwise acquired from any officer or employe of any agency of the state upon a finding by the executive department for finance and administration, based upon a written application by the head of the agency requesting the purchase, and approved by the secretary of the executive department for finance and administration and the governor, that the employe has not either himself or through any other person influenced or attempted to influence either the agency requesting the purchase of the property or the executive department for finance and administration in connection with such acquisition. In any case in which such an acquisition is consummated, the said request and finding shall be recorded and kept by the secretary of state along with the other documents recorded pursuant to the provisions of KRS Chapter 56.

(10) The executive department for finance and administration shall maintain records of all purchases and sales made under its authority and shall make periodic summary reports of all transactions to the secretary of the executive department for finance and administration, the governor, and the general assembly. The executive department for finance and administration shall also report trends in costs and prices, including savings realized through improved practices, to the above authorities.

(11) For capital construction projects, subject to the provisions of KRS Chapter 45A, the bidding may be on a *single and separate bid* [total design-bid] basis; a package system commonly referred to as "turnkey"; phase bidding commonly referred to as "fast track"; or construction management, whichever in the judgment of the secretary of the executive department for finance and administration offers the lowest real cost to the taxpayer. Bids shall be reviewed by the engineering staff to assure quality and value, and compliance with bid procedures. All specifications shall be written to promote competition.

(12) The executive department for finance and administration shall attempt in every practicable way to insure the state's supplying its real needs at the lowest possible cost.

(13) The executive department for finance and administration shall have control and supervision over all purchases of energy consuming equipment, supplies and related equipment purchased or acquired by any agency of the state as provided in KRS 45.360 to 45.990, and shall designate by regulation the manner in which an energy consuming item will be purchased so as to promote energy conservation and acquisition of energy efficient products.

HCR 83, A CONCURRENT RESOLUTION urging Congress and President Carter to support Senate Bill 2050.

WHEREAS, the United States Government, in 1942, condemned some 36,000 acres of rural farm land in Henderson, Union, and Webster Counties, Kentucky for the establishment of a military training camp known as Camp Breckinridge, causing the displacement of one thousand five hundred (1,500) families from an area of fertile farmland with the necessary buildings and accoutrements to provide them with a living by farming; and

WHEREAS, the area involved had been the site of coal mining and oil production activity for years, with oil leases outstanding on approximately seventy percent of the property; and

WHEREAS, the federal government managed to acquire the property at an unreasonably low price of 3.1 million dollars ($3,100,000) through refusing to pay the owners for the oil, gas, and mineral rights they were justly entitled to, ignoring the possibility of substantial continued income to owners of property on which wells might in the future be located, and intentionally misleading property owners into believing they would be allowed to repurchase their property at the end of the war; and

WHEREAS, the federal government sold the land, oil, and coal rights to the property in the 1960's for approximately forty million dollars ($40,000,000), and presently in excess of sixty million dollars ($60,000,000) worth of oil has been extracted from the Camp Breckinridge land; and

WHEREAS, there has not been just compensation for the original property holders as required by the fifth amendment of the U. S. Constitution;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Congress and President Carter be urged to support Senate Bill 2050, introduced by the Honorable Senators Walter D. Huddleston and Wendell H. Ford, to provide compensation in the amount of thirty-two million dollars ($32,000,000) in payment for the oil, gas, and mineral rights for which the owners of land condemned in 1942 for Camp Breckinridge were never paid.

Section 2. That the Clerk of the House of Representatives deliver a copy of this resolution to the Honorable Jimmy Carter, President of the United States, the members of the Kentucky Congressional Delegation, and all other members of the United States Congress.

HJR 34, A JOINT RESOLUTION relating to the Kentucky Public Employes Deferred Compensation System.

WHEREAS, the Committee for Program Review and Investigation of the Kentucky General Assembly has reviewed the Kentucky Public Employes Deferred Compensation System and has recommended several changes in the administration of the System to assure that it is more effectively and efficiently administered in the best interests of the plan participants; and

WHEREAS, the General Assembly desires to express its support for said recommendations;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Board of Trustees of the Kentucky Public Employes Deferred Compensation System should:

(1) Prior to awarding any contract for the administration of the system, evaluate all proposed contracts to assure that they compare favorably with plan administration agreements or procedures of deferred compensation systems in other states;

(2) Review sales charges presently in effect to determine whether they serve the best financial interests of the plan participants or whether an alternative structure would better serve said participants;

(3) Prior to awarding or approving contracts relating to investment products to be offered through the System, evaluate the proposed products actuarially to determine which products will provide the best return to plan participants;

(4) Promptly notify each plan participant of any change in plan provisions or participant agreements and ensure that any revised plan is promptly provided to participants;

(5) Continually monitor and periodically review computer services, employe performance, and other factors affecting the production of statements of participants' accounts to ensure that statements are produced and delivered to participants in a timely manner; and

(6) Monitor the program administrator's marketing and promotional activities on a regular basis to ensure that all eligible employes are provided with an explanation of the deferred compensation program and receive an opportunity to participate therein.

Section 2. That a copy of this resolution shall be sent to the members of the Board of Trustees of the Kentucky Employes Deferred Compensation System and to the Governor.

SB 134, AN ACT relating to the State Zoo.

WHEREAS, there is a zoo in Kentucky that has won regional and national attention for its modern natural environmental design, professional quality and dedication to education, conservation, research and recreation, known as the Louisville Zoological Garden; and

WHEREAS, the Louisville Zoological Garden has had success in the propagation of many species including those endangered and threatened and has received international attention as the only zoo to have ever had a successful birth of twin gray seals; and

WHEREAS, Kentuckians can be proud of their zoo's role in the Commonwealth's conservation with the Raptor Rehabilitation Program which returns to the wild many rehabilitated and recovered birds of prey indigenous to Kentucky; and

WHEREAS, the Louisville Zoological Garden is a living classroom which complements the programs developed in conjunction with the existing school curriculum and serves the students of the Commonwealth, as well as all Kentuckians as a source of recreation; and

WHEREAS, the Louisville Zoological Garden has endeavored to reach as many citizens of Kentucky as possible outside of the Zoo's physical boundaries through such means as the Kentucky State Fair, the Zoomobile, school visitation programs and special presentations to senior citizen centers, nursing homes, hospitals, service organizations and garden clubs; and

WHEREAS, the Louisville Zoological Garden has contributed to the growth of the cultural arts in Kentucky with such programs as its innovative "Arts with the Animals" series which annually in September showcases the season debut of various major performing arts organizations of the Commonwealth; and

WHEREAS, the Louisville Zoological Garden has made significant contributions in behavioral and genetic research of the South American woolly monkey in conjunction with the San Diego Zoo and has worked with such prestigious institutions as the University of Louisville School of Medicine in research on the exotic eye; and

WHEREAS, with recognition and support all Kentucky can benefit from its accomplishments;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 153 IS CREATED TO READ AS FOLLOWS:

The Louisville Zoological Garden is hereby designated and declared to be the state zoo of Kentucky. The state zoo, so designated and declared, may create an educational center call the MetaZoo, to serve the entire Commonwealth with a unique educational experience, may meet with regional and national groups to help develop ideas for research, conservation and housing of animals in simulated natural habitats, help in tourist promotion, create and offer visual presentations on the Zoo and its programs throughout the Commonwealth, and be available to work with Kentucky's colleges and universities in conjunction with accredited programs.

Calendar

HB 109, HB 427, HB 734, HB 839, HB 894, HB 563, HB 730, HB 804, HB 911, SB 45, SB 172, HB 14, HB 340, SB 33, HB 920, SB 39, SB 58, HB 451, HB 627, HB 708, HB 711, HB 713, HB 816, HB 818, HB 850, HB 874, SB 191, SB 170, HB 139, HB 889, SB 27, SB 140, HB 766, HB 712 taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **SB 19, SB 37, SB 66, SB 141, SB 210, SB 235, SCR 49, SCR 54, HB 315, HB 359,** and **HB 125** with Senate Amendment.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 47, HB 118, HB 134, HB 303, HB 396, SB 146, SB 147,** and **SB 90** had been examined and found correctly enrolled. Said bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 47, HB 118, HB 135, HB 303, and **HB 396** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Recess

Representative B. Richardson moved that the House recess until 3:30 p.m.

On the roll call the vote was yeas 42-Adams, Arnold, Bennett, Boswell, Bronger, Brown, Clark, Craddock, Curd, Cyrus, DeMarcus, Deskins, Dunn, Farrow, Foster, Gray, Hancock, Head, Hines, Isler, Jones, Kenton, Kidd, LeMaster, Lundergan, May, Moberly, Morris, Nett, Pearman, Petty, Priddy, Rapier, B. Richardson, Riner, Sale, Stone, Stumbo, Thomason, Van Horn, Weinberg, Wright. Nays 18-Blair, Blythe, Caldwell, Crupper, Davenport, Guenthner, Heleringer, Holbrook, Layman, Lewis, Mann, Noe, Overstreet, Plummer, Robinson, Smith, Turner, Worthington.

The motion that the House recess was adopted.

At the appointed hour the Speaker resumed the Chair and called the House to order.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 315, HB 359, HCR 4,** and **SB 119** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day

HB 152, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 152** be laid on the Clerk's desk.

On the roll call the vote was yeas 51-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Boswell, Brown, Bruce, Caldwell, Clark, Clarke, Curd, Cyrus, DeMarcus, Deskins, Donnermeyer, Dunn, Foster, Freibert, Fryman, Head, Hines, Holbrook, Kenton, LeMaster, Lewis, May, McBee, Moberly, Nett, Noe, Overstreet, Petty, Rapier, Rattliff, Reynolds, P. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, Williams, Worthington. Nays 4-Gray, Heleringer, White, Wright.

The motion that **HB 152** be laid on the Clerk's desk was adopted.

HB 53, with Committee Substitutes and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Second Committee Substitute to **HB 53.** Agreed.

Representative Priddy moved that **HB 53,** by way of Second Committee Substitute, be laid on the Clerk's desk.

On the roll call the vote was yeas 77-Adams, Allen, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bruce, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, Lewis, List, Little, Lundergan, May, McBee, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, P. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Wright, Yates. Nays 0.

The motion that **HB 53,** by way of Second Committee Substitute, be laid on the Clerk's desk was adopted.

SB 59 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Tobin moved that **SB 59** be passed.

Representative Tobin moved that **SB 59** be laid on the Clerk's desk.

On the roll call the vote was yeas 64-Adams, Allen, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Curd, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Haering, Head, Hines, Holloway, Isler, Jones, Kenton, List, Little, McBee, McKinney, Moberly, Morris, Nett, O'Brien, Overstreet, Petty, Plummer, Rapier, Reynolds, B. Richardson, Riner, Romines, Schmidt, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Wright, Yates. Nays 6-Cyrus, Gray, Holbrook, Sale, Smith, Thomas.

The motion that **SB 59** be laid on the Clerk's desk was adopted.

HB 176, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weinberg moved the adoption of the Committee Amendment No. 1 to **HB 176.** Agreed.

Representative B. Richardson moved the adoption of the Floor Amendment No. 1 to **HB 176.** Agreed.

Representative Weinberg moved that **HB 176,** as amended, be passed.

On the roll call the vote was yeas 42-Adams, Barrows, Bendl, Bennett, Brinkley, Bronger, Brown, Burch, Burnette, Cawood, Clapp, Cyrus, Dawahare, DeFalaise, Donnermeyer, Dunn, Foster, Head, Hines, Jones, Kenton, Lundergan, Mann, May, McBee, Moberly, Morris, Noe, Petty, Priddy, Richards, B. Richardson, Romines, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, Wilborn, Williams. Nays 51-Allen, Arnold, Blair, Blandford, Blythe, Boswell, Bruce, Caldwell, Clark, Craddock, Curd, Davenport, DeMarcus, Deskins, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Heleringer, Holbrook, Holloway, Isler, Johnson, Kidd, Layman, LeMaster, Lewis, List, Little, McKinney, McNutt, Nett, O'Brien, Overstreet, Pearman, Plummer, Rapier, Rattliff, Reynolds, Riner, Robinson, Sale, Schmidt, Turner, White, Wright, Yates.

HB 176, as amended, was defeated.

Representative B. Richardson moved that the vote by which **HB 176,** as amended, was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

HR 52 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **HR 52** be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

HR 52 was passed and the title agreed to.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Representative B. Richardson moved that **HB 53** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 68-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Burch, Cawood, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, DeMarcus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Mann, May, McBee, Moberly, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, P. Richardson, Robinson, Romines, Sale, Smith, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Wilborn, Williams, Wright, Yates. Nays 0.

The motion that **HB 53** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative B. Richardson moved that **SB 118** be taken from the table and placed in Orders of the Day.

On the roll call the vote was yeas 45-Adams, Arnold, Barrows, Bendl, Bennett, Boswell, Bruce, Burch, Caldwell, Clark, Clarke, Craddock, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Foster, Gray, Hancock, Heleringer, Hines, Jones, Kenton, Kidd, LeMaster, List, May, McBee, McNutt, Moberly, Noe, O'Brien, Pearman, Plummber, Priddy, Sale, Stone, Stumbo, Thomas, Tobin, Van Horn, White, Wilborn, Williams. Nays 17-Allen, Blandford, Burnette, Cawood, DeMarcus, Ellington, Guenthner, Haering, Holbrook, Holloway, Layman, Lewis, Schmidt, Smith, Thomason, Turner, Weinberg.

The motion that **SB 118** be taken from the table and placed in Orders of the Day was rejected.

Representative B. Richardson moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolution

HR 114, by Representative McBee: A RESOLUTION inviting the Chessie System and Seaboard Coast Line Industries, upon their merger, to locate their combined corporate headquarters within the Commonwealth.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

State Government: **SB 108, HB 732, HCR 88, HB 765, HCR 80, HB 891, SB 65, HB 900.**

Health and Welfare: **HB 927, HR 109, HB 782.**

Cities: **HB 632.**

Natural Resources and Environment: **HB 768, HB 954.**

Judiciary: **HB 779.**

Counties and Special Districts: **HB 383, HB 785, HB 907, HR 84.**

Report of Committees

The Committee on Appropriations and Revenue reported **HB 857,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 857, AN ACT relating to general appropriations to the Legislative Research Commission for the operation, maintenance, support, and functioning of the Legislative Branch of government and its agencies of the Commonwealth of Kentucky and to the Board of Ethics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART ONE
GENERAL FUND

Section 1. There is appropriated to the Legislative Research Commission out of the General Expenditure Fund for the fiscal year beginning July 1, 1979, and ending June 30, 1980, for the fiscal year beginning July 1, 1980 and ending June 30, 1981; and for the fiscal year beginning July 1, 1981 and ending June 30, 1982 the following sums:

I. GENERAL ASSEMBLY

A. Legislative Services and Session Compensation.

1979-1980	$ 567,709
1980-1981	$ 251,409
1981-1982	$ 2,475,516

Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

B. Monthly Expenses and Retirement Contributions for Legislators.

1980-1981	$ 1,453,332
1981-1982	$ 1,156,185

C. Interim Committees; Special Advisory Commissions and Study Committees.

1980-1981	$ 872,900
1981-1982	$ 623,710

Includes funds for operating expenses and staff services of interim joint and interim special subcommittees of the commission as provided for in KRS Chapter 7.110(5). Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

D. Electronic Data Processing.

1980-1981	$ 223,000
1981-1982	$ 223,000

Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

E. Legislative Interns.

1981-1982	$ 130,000

For the costs of maintaining the legislative intern program during the 1982 session of the General Assembly.

F. Facilities Improvements.

1979-1980	$ 40,000
1980-1981	$ 250,000
1981-1982	$ 50,000

For the cost of improvements and equipment as may be required. Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

TOTAL GENERAL ASSEMBLY

1979-1980	$ 607,709
1980-1981	$ 3,050,641

1981-1982	$ 4,658,411

II. LEGISLATIVE RESEARCH COMMISSION

1980-1981	$ 6,161,319
1981-1982	$ 6,507,090

Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

GRAND TOTAL LEGISLATIVE

1979-1980	$ 607,709
1980-1981	$ 9,211,960
1981-1982	$11,165,501

PART TWO
TRUST AND AGENCY FUNDS

There is hereby appropriated to the Legislative Research Commission for the fiscal year ending June 30, 1981, and the fiscal year ending June 30, 1982, all the receipts from the sale of publications and administrative regulations, and any unexpended balance remaining in the commission's existing Trust and Agency account at the close of the fiscal year ending June 30, 1980.

PART THREE

There being an immediate need for certain of the above appropriations which are provided for the current fiscal year, ending June 30, 1980, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

Section 2. There is hereby appropriated to the board of ethics, established pursuant to KRS 6.690, $30,000 for fiscal year 1980-1981, and $30,000 for fiscal year 1981-1982. Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

The Committee Substitute to **HB 857** is as follows:

Committee Substitute for **HB 857,** AN ACT relating to general appropriations to the Legislative Research Commission for the operation, maintenance, support, and functioning of the Legislative Branch of government and its agencies of the Commonwealth of Kentucky and to the Board of Ethics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART ONE
GENERAL FUND

Section 1. There is appropriated to the Legislative Research Commission out of the General Expenditure Fund for the fiscal year beginning July 1, 1979, and ending June 30, 1980, for the fiscal year beginning July 1, 1980 and ending June 30, 1981; and for the fiscal year beginning July 1, 1981 and ending June 30, 1982 the following sums:

I. GENERAL ASSEMBLY

A. Legislative Services and Session Compensation.

1979-1980	$ 567,709
1980-1981	$ 251,409
1981-1982	$ 2,475,516

Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

B. Monthly Expenses and Retirement Contributions for Legislators.

1980-1981	$ 1,453,332
1981-1982	$ 1,156,185

C. Interim Committees; Special Advisory Commissions and Study Committees.

1980-1981	$ 872,900
1981-1982	$ 611,340

Includes funds for operating expenses and staff services of interim joint and interim special subcommittees of the commission as provided for in KRS Chapter 7.110(5). Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

D. Electronic Data Processing.

1980-1981	$ 223,000
1981-1982	$ 223,000

Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

E. Legislative Interns.

1981-1982	$ 90,000

For the costs of maintaining the legislative intern program during the 1982 session of the General Assembly.

F. Facilities Improvements.

1979-1980	$ 40,000
1980-1981	$ 250,000
1981-1982	$ 50,000

For the cost of improvements and equipment as may be required. Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

TOTAL GENERAL ASSEMBLY

1979-1980	$ 607,709
1980-1981	$ 3,050,641
1981-1982	$ 4,606,041

II. LEGISLATIVE RESEARCH COMMISSION

1980-1981	$ 5,847,319
1981-1982	$ 6,076,090

Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

GRAND TOTAL LEGISLATIVE

1979-1980	$ 607,709
1980-1981	$ 8,897,960
1981-1982	$10,682,131

PART TWO

TRUST AND AGENCY FUNDS

There is hereby appropriated to the Legislative Research Commission for the fiscal year ending June 30, 1981, and the fiscal year ending June 30, 1982, all the receipts from the sale of publications and administrative regulations, and any unexpended balance remaining in the commission's existing Trust and Agency account at the close of the fiscal year ending June 30, 1980.

PART THREE

The director of the Legislative Research Commission may expend any of the funds appropriated to the commission in any manner and for any purpose which the commission shall authorize or direct. This power shall include the power to transfer funds within accounts or between separate budget items of appropriation, and the power to use excess funds in any account or budget item for other expenditures as are authorized or directed by the commission. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the General Assembly or to the Legislative Research Commission.

PART FOUR

There being an immediate need for certain of the above appropriations which are provided for the current fiscal year, ending June 30, 1980, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

Section 2. There is hereby appropriated to the board of ethics, established pursuant to KRS 6.690, $30,000 for fiscal year 1980-1981, and $30,000 for fiscal year 1981-1982. Any unexpended balance remaining at the close of the 1980-1981 fiscal year shall not lapse, but shall continue into the 1981-1982 fiscal year.

The Committee on Labor and Industry reported **HB 638** with Committee Substitute attached thereto, **HB 612, HB 636, HB 637, HB 639** and **HB 864** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 638, AN ACT relating to wages and hours.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.365 is amended to read as follows:

No employer shall require any employe to work [for more than four (4) hours] without *a* rest *period of* [periods for] at least ten (10) minutes *for each four (4) hours worked*. This shall be in addition to the regularly scheduled lunch period. No reduction in compensation shall be made for hourly or salaried employes.

Committee Substitute for **HB 638,** AN ACT relating to wages and hours.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.365 is amended to read as follows:

No employer shall require any employe to work [for more than four (4) hours] without *a* rest *period of* [periods for] at least ten (10) minutes *during each four (4) hours worked.* This shall be in addition to the regularly scheduled lunch period. No reduction in compensation shall be made for hourly or salaried employes.

HB 612, AN ACT relating to the unemployment insurance program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 341.270 is amended to read as follows:

(1) Each subject employer's contribution rate shall be two and seven-tenths percent (2.7%) except as otherwise provided in this section.

(2) No subject employer's contribution rate shall be less than two and seven-tenths percent (2.7%) unless benefits were chargeable to his account with respect to the thirty-six (36) consecutive months immediately preceding the computation date.

(3) For the calendar year *1980* [1978] and each calendar year thereafter, employer contribution rates shall be determined in accordance with "Table A" set out in subsection (4) of this section. For each calendar year, the secretary shall determine the fund solvency factor, as of the 31st day of October immediately preceding the calendar year for which contribution rates are determined, by dividing the "benefit cost rate" into the "statewide reserve rate." If such factor:

(a) Equals or exceeds 1.8, the rates listed in "Schedule A" of "Table A" shall be in effect.

(b) Equals or exceeds 1.5 but is less than 1.8, the rates listed in "Schedule B" of "Table A" shall be in effect.

(c) Equals or exceeds 1.2 but is less than 1.5, the rates listed in "Schedule C" of "Table A" shall be in effect.

(d) Equals or exceeds 1.0 but is less than 1.2, the rates listed in "Schedule D" of "Table A" shall be in effect.

(e) Equals or exceeds 0.8 but is less than 1.0, the rates listed in "Schedule E" of "Table A" shall be in effect.

(f) Equals or exceeds 0.4 but is less than 0.8, the rates listed in "Schedule F" of "Table A" shall be in effect.

(g) Less than 0.4, the rates listed in "Schedule G" of "Table A" shall be in effect.

(4) For the calendar year *1980*[, 1978] and each calendar year thereafter, contribution rates shall be determined upon the basis of an individual employer's reserve ratio as of the computation date and the schedule of rates established under subsection (3) of this section. Except as otherwise provided in this section, the contribution rate for each subject employer for the calendar year immediately following the computation date shall be the rate in that "Schedule" of "Table A", as set out below, effective with respect to such calendar year, which appears on the same line as his reserve ratio as shown in the "Employer Reserve Ratio" column of the same table.

TABLE A
Rate Schedule

Employer Reserve Ratio	A	B	C	D	E	F	G
6.0% and over	0.1%	0.2%	0.3%	0.4%	0.5%	0.7%	1.0%
5.0% but under 6.0%	0.2%	0.3%	0.4%	0.5%	0.6%	1.0%	1.3%
4.6% but under 5.0%	0.3%	0.4%	0.5%	0.6%	0.7%	1.4%	1.7%
4.2% but under 4.6%	0.4%	0.5%	0.6%	*0.7%*	*0.9%*	*1.7%*	*2.2%*
				[0.8%	0.7%	0.9%	1.7%]
3.9% but under 4.2%	0.5%	0.6%	0.8%	1.0%	1.5%	2.2%	2.5%
3.6% but under 3.9%	0.6%	0.7%	1.0%	1.4%	2.1%	2.5%	2.7%

Employer Reserve Ratio	A	B	C	D	E	F	G
3.2% but under 3.6%	0.7%	1.0%	1.5%	2.0%	2.6%	2.6%	2.7%
2.7% but under 3.2%	0.8%	1.3%	2.0%	2.5%	2.7%	2.7%	2.7%
2.0% but under 2.7%	1.0%	1.7%	2.5%	2.7%	2.7%	2.7%	2.7%
1.3% but under 2.0%	1.5%	2.1%	2.7%	2.7%	2.7%	2.7%	2.7%
0.0% but under 1.3%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
-4.0% but under 0.0%	3.0%	3.2%	3.7%	4.0%	4.2%	4.6%	4.9%
-8.0% but under -4.0%	3.5%	3.7%	4.0%	4.2%	4.4%	4.8%	5.0%
Less than -8.0%	4.0%	4.4%	4.6%	4.8%	5.0%	5.1%	5.2%

(5) As used in this section and elsewhere in this chapter, unless the context clearly requires otherwise:

(a) "Trust fund balance" means the amount of money in the unemployment insurance fund, less any unpaid advances made to the state under section 1201 of the social security act. In determining the amount in the fund as of a given date all money received by the department as of such date shall be considered as being in the fund on such date.

(b) "Total wages" means all remuneration for services, as defined in subsections (1) to (5) of KRS 341.030, paid by subject employers.

(c) "Statewide reserve rate" means the percentage ratio obtained by dividing the total wages for the four calendar quarters ending on the 30th day of September, which have been reported to the department on or before the immediately following 31st day of October, into the "trust fund balance" as of that same date.

(d) "Benefit cost rate" means the percentage ratio obtained by dividing the total amount of benefits paid during the highest twelve consecutive calendar-month period since 1956 by the total wages reported to the department for the four (4) quarters ending immediately prior to the end of such twelve-month period.

(e) An employer's "reserve ratio" means the percentage ratio of his reserve account balance as of the computation date to his taxable payrolls for the thirty-six (36) months last preceding such computation date.

(f) An employer's "reserve account balance" means the amount by which contributions credited to his reserve account exceed benefits charged to such account. If benefits charged to an account exceed contributions credited to such account as of the computation date, such account shall be considered as having a debit balance and a reserve ratio of "less than zero."

(g) "Computation date" means the date, occurring at least once in each calendar year and within twenty-seven (27) weeks prior to the effective date of new rates of contributions, as of which individual employer contribution rates are computed. The secretary shall by regulation prescribe the computation date.

Section 2. Whereas, a great inequity has resulted in the rates in Schedules D, E, and F for employer reserve ratios of 4.2 per centum but under 4.6 per centum which was due to a clerical error in the preparation of Senate Amendment Number three to Chapter 389 of the 1978 Kentucky Acts, an emergency is declared to exist and the provisions of this Act shall be effective January 1, 1980.

HB 636, AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 342.990 is amended to read as follows:

(1) Any employer subject to this chapter who refuses or willfully neglects to make the report required by KRS *342.038* [342.330] shall be fined not more than twenty-five dollars for each offense.

(2) Any person who violates KRS 342.335, 342.040, and 342.630 shall be fined not less than fifty dollars nor more than five hundred dollars or imprisoned for not less than ten nor more than ninety days.

(3) Any person who violates subsection (2) of KRS 342.400 shall be fined not less than fifty dollars nor more than two hundred dollars or imprisoned for not less than ten nor more than ninety days.

(4) Any employer who violates KRS 342.420 shall be fined not more than one hundred dollars for each offense.

(5) Any person who violates any of the provisions of KRS 342.445 to 342.475 shall be fined not less than one hundred dollars nor more than one thousand dollars or imprisoned for not less than ten nor more than ninety days, or both.

HB 637, AN ACT relating to wages and hours.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.355 is amended to read as follows:

Employers, except those subject to the federal railway labor act, shall grant their employes a [reasonable] period for lunch *of no less than twenty (20) minutes* [,] and such time shall be as close to the middle of the employe's scheduled work shift as possible. In no case shall an employe be required to take a lunch period sooner than three (3) hours after his work shift commences, nor more than five (5) hours from the time his work shift commences. This section shall not be construed to negate any provision of a collective bargaining agreement or mutual agreement between the employe and employer.

HB 639, AN ACT relating to payment of wages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.020 is amended to read as follows:

(1) Every employer doing business in this state shall, as often as semimonthly, pay to each of its employes all wages or salary earned to a day not more than eighteen (18) days prior to the date of that payment. Any employe who is absent at the time fixed for payment, or who, for any other reason, is not paid at that time, shall be paid thereafter at any time upon six (6) days' demand. No employer subject to this section shall, by any means, secure exemption from it. Every such employe shall have a right of action against any such employer for the full amount of his wages due on each regular pay day.

(2) Any employe who leaves or is discharged from his employment shall be paid in full all wages or salary earned by him, not later than the next normal pay period following the date of dismissal or voluntary leaving or fourteen (14) days following such date of dismissal or voluntary leaving whichever last occurs. Any employe who is absent at the time fixed for payment by any employer, or who, for any other reason, is not paid at that time shall be paid thereafter at any time upon fourteen (14) days' demand. Every such employe shall have a right of action against any such employer for the full amount of his wages due on each regular pay day. No employer shall, by any means, secure exemption from this section.

Section 2. KRS 337.055 Payment of all wages or salary upon dismissal or voluntary leaving required; and KRS 337.993 Penalties, are repealed.

HB 864, AN ACT relating to unemployment insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 341.055 is amended to read as follows:

Unless the employing unit thereof has elected that such services become covered employment under the provisions of subsection (3) or (4) of KRS 341.250, "covered employment" shall not include:

(1) Service performed in agricultural labor, as defined in section 3306(k) of the Internal Revenue Code, but only if such service is not defined as "covered employment" in paragraphs (f) and (h) of subsection (1) of KRS 341.050; or agricultural service performed prior to January 1, 1980 by an individual who is an alien admitted to the United States to perform service in agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the immigration and nationality act;

(2) Domestic service in a private home, a local college club, or local chapter of a college fraternity or sorority but only if such service is not defined as "covered employment" in paragraphs (g) and (h) of subsection (1) of KRS 341.050;

(3) Service in the employ of an organization described in paragraphs (e) of subsection (1) of KRS 341.050 but only if such service is not defined as "covered employment" in paragraphs (e) and (h) of subsection (1) of KRS 341.050;

(4) Certain service performed in the employ of this state or any of its political subdivisions or municipalities or instrumentalities thereof but only if such service is performed by an individual in the exercise of his or her duties:

(a) As a public elected official; or
(b) As a member of a legislative body of this state or a political subdivision thereof; or
(c) As a member of the judiciary of this state or political subdivision thereof; or
(d) As a member of the state National Guard or Air National Guard; or

(e) As an employe serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency; or

(f) In a position which, under or pursuant to the state law is designated as a major nontenured *policymaking* [policymaker] or advisory position, or a policymaking or advisory position the performance of the duties of which ordinarily does not require more than eight (8) hours per week or by reason of service on any appointed state or local board or commission; or

(g) As a part-time staff employe of the general assembly, or any temporary, part-time or seasonal employe of the Commonwealth or political subdivision thereof if not required to be covered employment pursuant to Section 3309 of the Internal Revenue Code, as amended, as a requirement of Section 3304 of that code, as amended, for approval of the state's unemployment insurance law;

(5) Except as provided in paragraph (d) of subsection (1) of KRS 341.050 service performed in the employ of any other state or any political subdivision thereof, or of the United States government or an instrumentality of the United States exempt by federal law from the contributions imposed by this chapter, except that to the extent that the congress of the United States shall permit states to require instrumentalities of the United States to make payments into an unemployment fund under a state unemployment insurance law, all the provisions of this chapter shall be applicable to such instrumentalities, and to services performed for such instrumentalities, in the same manner, to the same extent and on the same terms as to all other employing units, individuals and services; provided that if this state shall not be certified for any year by the secretary of labor of the United States under section 3304 of the Internal Revenue Code, the payments required of such instrumentalities with respect to such year shall be refunded from the fund in the same manner and within the same period as is provided in KRS 341.330 with respect to contributions erroneously collected;

(6) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of congress. The *secretary* [commissioner] may enter into agreements with the proper agencies under such act of congress to provide reciprocal treatment to workers who have, after acquiring potential rights to benefits under this chapter, acquired rights to unemployment compensation under such act of congress, or who have, after acquiring potential rights to unemployment compensation under such act of congress, acquired rights to benefits under this chapter;

(7) Service performed by a worker in the employ of his son, daughter, or spouse and service performed by a child under the age of twenty-one in the employ of his father or mother;

(8) Service performed in the employ of a foreign government (including service as a consular, or other officer or employe or a nondiplomatic representative), or of an instrumentality wholly owned by a foreign government if:

(a) The service is of a character similar to that performed in foreign countries by employes of the United States government or of an instrumentality thereof, and

(b) The secretary finds that the United States secretary of state has certified to the United States secretary of the treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employes of the United States government and of instrumentalities thereof;

(9) Service performed as a student nurse in the employ of a hospital or a nurses' training school by a worker who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to the laws of this state; and service performed as an intern in the employ of a hospital by a worker who has completed a four (4) years' course in a medical school chartered or approved pursuant to the laws of this state;

(10) Service performed by a worker for an employing unit as an insurance agent or as an insurance solicitor, if all such service performed by such worker for such employing unit is performed for remuneration solely by way of commission;

(11) Service performed by a worker under the age of eighteen (18) in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(12) Service not in the course of the employing unit's trade or business performed in any calendar quarter by a worker, unless the cash remuneration paid for such service is fifty dollars ($50) or more and such service is performed by an individual who is regularly employed by such employing unit to perform such service. For the purpose of this subsection, an individual shall be deemed to be regularly employed by an employing unit during a calendar quarter only if:

(a) On each of some twenty-four (24) days during such quarter such individual performs for such employing unit for some portion of the day service not in the course of the employing unit's trade or business, or

(b) Such individual was regularly employed (as determined under paragraph (a) above) by such employing unit in the performance of such service during the preceding calendar quarter;

(13) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501(a) of the Internal Revenue Code (other than an organization described in

section 401(a)), or under section 521 of the Internal Revenue Code, if the remuneration for such service is less than fifty dollars ($50);

(14) Service performed in the employ of an international organization;

(15) Service covered by an election duly approved by the agency charged with the administration of any other state or federal employment security law, in accordance with an arrangement pursuant to KRS 341.145 during the effective period of such election;

(16) Service performed in the employ of a school, college, or university, if such service is performed:

(a) By a student who is enrolled and is regularly attending classes at such school, college or university, or

(b) By the spouse of such a student, if such spouse is advised, at the time such spouse commences to perform such service, that:

1. The employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school, college, or university, and

2. Such employment will not be covered by any program of unemployment insurance;

(17) Service performed by an individual under the age of twenty-two (22) who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this subsection shall not apply to service performed in a program established for or on behalf of an employer or group of employers;

(18) Service performed in the employ of a hospital, if such service is performed by a patient of the hospital, as defined in KRS 341.067;

(19) Service performed in the employ of a church or convention or association of churches, or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches; or by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(20) Service defined in KRS 341.050(1)(d) and (e) performed in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work; or as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof[,] by an individual receiving such work relief or work training*; or* in a custodial or penal institution by an inmate of such institution.

Section 2. KRS 341.096 is amended to read as follows:

As used in this chapter unless the context clearly requires otherwise:

(1) "Rate of insured unemployment" means the percentage derived by dividing:

(a) The average weekly number of workers filing claims in this state for weeks of unemployment with respect to the most recent 13-consecutive-week period, as determined by the secretary on the basis of his report to the U.S. secretary of labor, by

(b) The average monthly employment covered under this chapter for the first four of the most recent six completed calendar quarters ending before the end of such 13-week period. Such computations shall be made by the secretary, in accordance with regulations prescribed by the U.S. secretary of labor.

(2) "Regular benefits" means benefits payable to a worker under this chapter or under an unemployment compensation law of any other state (including benefits payable to federal civilian employes and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended benefits and additional benefits.

(3) "Extended benefits" means benefits (including benefits payable to federal civilian employes and to ex-servicemen pursuant to 5 U.S.C. chapter 85) payable to a worker under the provisions of KRS 341.700 to 341.740 for weeks of unemployment in his eligibility period.

(4) "Additional benefits" means benefits payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors under the provisions of any state law.

(5) "Eligibility period" of a worker means the period consisting of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

(6) "Exhaustee" means a worker who, with respect to any week of unemployment in his eligibility period:

(a) Has received, prior to such week, all of the regular benefits that were available to him under this chapter or any other state law (including dependents' allowances and benefits payable to federal civilian employes and ex-servicemen under 5 U.S.C. chapter 85) in his current benefit year that includes such week;

provided, that, for the purposes of this paragraph, an individual shall be deemed to have received all of the regular benefits that were available to him although, as a result of a pending appeal with respect to wages and/or employment that were not considered in the original monetary determination in his benefit year, he may subsequently be determined to be entitled to added regular benefits; or

(b) His benefit year having expired prior to such week, has no, or insufficient, wages and/or employment on the basis of which he could establish a new benefit year that would include such week; and

(c) Has no right to unemployment benefits or allowances, as the case may be, under the railroad unemployment insurance act or under such other federal laws as are specified in regulations issued by the U.S. secretary of labor; and has not received and is not seeking unemployment benefits under the unemployment compensation law of Canada or the Virgin Islands; but if the individual is seeking such benefits and the appropriate agency finally determines that the individual is not entitled to benefits under such law, the individual shall be considered an exhaustee if the other provisions of this definition are met[: provided, that, the reference in this subparagraph to the Virgin Islands shall be inapplicable effective on the day on which the U.S. secretary of labor approved under section 3304(a) of the Internal Revenue Code of 1954, an unemployment compensation law submitted to the U.S. secretary of labor by the Virgin Islands for approval].

Section 3. KRS 341.270 is amended to read as follows:

(1) *Except as otherwise provided in this section, each employer's contribution rate shall be two and seven-tenths percent (2.7%) provided the fund solvency factor, as defined in this section, equals or exceeds 0.4 and shall be three percent (3.0%) if the fund solvency factor is less than 0.4* [Each subject employer's contribution rate shall be two and seven-tenths percent (2.7%) except as otherwise provided in this section].

(2) No subject employer's contribution rate shall be less than two and seven-tenths percent (2.7%) *provided the fund solvency factor equals or exceeds 0.4 nor less than three percent (3.0%) if the fund solvency factor is less than 0.4,* unless benefits were chargeable to his account with respect to the thirty-six (36) consecutive months immediately preceding the computation date.

(3) For the calendar year *1981* [1978] and each calendar year thereafter, employer contribution rates shall be determined in accordance with "Table A" set out in subsection (4) of this section. For each calendar year, the secretary shall determine the fund solvency factor, as of the 31st day of October immediately preceding the calendar year for which contribution rates are determined, by dividing the "benefit cost rate" into the "statewide reserve rate." If such factor:

(a) Equals or exceeds 1.8, the rates listed in "Schedule A" of "Table A" shall be in effect.

(b) Equals or exceeds 1.5 but is less than 1.8, the rates listed in "Schedule B" of "Table A" shall be in effect.

(c) Equals or exceeds 1.2 but is less than 1.5, the rates listed in "Schedule C" of "Table A" shall be in effect.

(d) Equals or exceeds 1.0 but is less than 1.2, the rates listed in "Schedule D" of "Table A" shall be in effect.

(e) Equals or exceeds 0.8 but is less than 1.0, the rates listed in "Schedule E" of "Table A" shall be in effect.

(f) Equals or exceeds *0.6* [0.4] but is less than 0.8, the rates listed in "Schedule F" of "Table A" shall be in effect.

(g) Equals or exceeds 0.4 but is less than 0.6, the rates in "Schedule G" of "Table A" shall be in effect.

(h) Less than 0.4, the rates listed in "Schedule G" of "Table A" shall be in effect.

(4) For the calendar year, *1981* [1978] and each calendar year thereafter, contribution rates shall be determined upon the basis of an individual employer's reserve ratio as of the computation date and the schedule of rates established under subsection (3) of this section. Except as otherwise provided in this section, the contribution rate for each subject employer for the calendar year immediately following the computation date shall be the rate in that "Schedule" of "Table A", as set out below, effective with respect to such calendar year, which appears on the same line as his reserve ratio as shown in the "Employer Reserve Ratio" column of the same table.

TABLE A
Rate Schedule

Employer Reserve Ratio	A	B	C	D	E	F	G	*H*
6.0% and over	0.1%	0.2%	0.3%	0.4%	0.5%	0.7%	1.0%	*1.3%*
5.0% but under 6.0%	0.2%	0.3%	0.4%	0.5%	0.6%	1.0%	1.3%	*1.6%*
4.6% but under 5.0%	0.3%	0.4%	0.5%	0.6%	0.7%	1.4%	1.7%	*2.0%*
				0.7%	*0.9%*	*1.7%*	*2.2%*	*2.5%*
4.2% but under 4.6%	0.4%	0.5%	0.6%	[0.8%	0.7%	0.9%	1.7%]	
3.9% but under 4.2%	0.5%	0.6%	0.8%	1.0%	1.5%	2.2%	2.5%	*2.8%*

Employer Reserve Ratio	A	B	C	D	E	F	G	*H*
3.6% but under 3.9%	0.6%	0.7%	1.0%	1.4%	2.1%	2.5%	2.7%	*3.0%*
3.2% but under 3.6%	0.7%	1.0%	1.5%	2.0%	2.6%	2.6%	2.7%	*3.0%*
2.7% but under 3.2%	0.8%	1.3%	2.0%	2.5%	2.7%	2.7%	2.7%	*3.0%*
2.0% but under 2.7%	1.0%	1.7%	2.5%	2.7%	2.7%	2.7%	2.7%	*3.0%*
1.3% but under 2.0%	1.5%	2.1%	2.7%	2.7%	2.7%	2.7%	2.7%	*3.0%*
0.0% but under 1.3%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	*3.0%*
-4.0% but under 0.0%	3.0%	3.2%	3.7%	4.0%	4.2%	4.6%	4.9%	*6.3%*
-8.0% but under -4.0%	3.5%	3.7%	4.0%	4.2%	4.4%	4.8%	5.0%	*6.5%*
Less than -8.0%	4.0%	4.4%	4.6%	4.8%	5.0%	5.1%	5.2%	*6.7%*

(5) As used in this section and elsewhere in this chapter, unless the context clearly requires otherwise:

(a) "Trust fund balance" means the amount of money in the unemployment insurance fund, less any unpaid advances made to the state under section 1201 of the social security act. In determining the amount in the fund as of a given date all money received by the department as of such date shall be considered as being in the fund on such date.

(b) "Total wages" means all remuneration for services, as defined in subsections (1) to (5) of KRS 341.030, paid by subject employers.

(c) "Statewide reserve rate" means the percentage ratio obtained by dividing the total wages for the four calendar quarters ending on the 30th day of September, which have been reported to the department on or before the immediately following 31st day of October, into the "trust fund balance" as of that same date.

(d) "Benefit cost rate" means the percentage ratio obtained by dividing the total amount of benefits paid during the highest twelve consecutive calendar-month period since 1956 by the total wages reported to the department for the four (4) quarters ending immediately prior to the end of such twelve-month period.

(e) An employer's "reserve ratio" means the percentage ratio of his reserve account balance as of the computation date to his taxable payrolls for the thirty-six (36) months last preceding such computation date.

(f) An employer's "reserve account balance" means the amount by which contributions credited to his reserve account exceed benefits charged to such account. If benefits charged to an account exceed contributions credited to such account as of the computation date, such account shall be considered as having a debit balance and a reserve ratio of "less than zero."

(g) "Computation date" means the date, occurring at least once in each calendar year and within twenty-seven (27) weeks prior to the effective date of new rates of contributions, as of which individual employer contribution rates are computed. The secretary shall by regulation prescribe the computation date.

Section 4. KRS 341.360 is amended to read as follows:

No worker may be paid benefits for any week of unemployment:

(1) With respect to which a strike or other bona fide labor dispute which caused him to leave or lose his employment is in active progress in the establishment in which he is or was employed, except that benefits may be paid unless the employer notifies the division in writing within seven (7) days after the beginning of such alleged strike or labor dispute of the alleged existence of such strike or labor dispute. For the purpose of this subsection a lockout shall not be deemed to be a strike or a bona fide labor dispute and no worker shall be denied benefits by reason of a lockout;

(2) For which he has received or is seeking unemployment compensation under an unemployment compensation law of another state or of the United States, except as otherwise provided by an arrangement between this state and such other state or the United States. But if the appropriate agency of such state or of the United States finally determines that he is not entitled to such unemployment compensation, this subsection shall not apply; or

(3) (a) Which, when based on service in an instructional, research, or principal administrative capacity in an institution of higher education as defined in subsection (2) of KRS 341.067 or in an educational institution as defined in subsection (4) of KRS 341.067, begins during the period between two (2) successive academic years, or during a similar period between two (2) regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, if the worker performs such services in the first of such academic years or terms and if there is a contract or a reasonable assurance that the worker will perform such services in any such capacity for any institution or institutions of higher education or an educational institution in the second of such academic years or such terms; or

(b) Which, when based on service other than as defined in subsection (3)(a) of this section, in an educational institution, as defined in subsection (4) of KRS 341.067, other than an institution of higher education, begins during the period between two (2) successive academic years or terms, if the worker performs such services in the first such academic years or terms and there is a reasonable assurance that the worker will perform such services in the second of such academic years or terms; or

(c) Which, when based on service in any capacity defined in paragraphs (a) and (b) of this subsection, begins during an established and customary vacation period or holiday recess if the worker performs any such services in the period immediately before such vacation period or holiday recess, and there is a reasonable assurance that such worker will perform *any* [many] such services in the period immediately following such vacation period or holiday recess.

(4) Benefits shall not be paid to any individual on the basis of any services, substantially all of which consist of participating in sports or athletic events or training or preparing to so participate, for any week which commences during the period between two (2) successive sport seasons (or similar periods) and there is a reasonable assurance that such individual will perform such services in the later of such seasons (or similar periods).

(5) [Any professional employe of any educational institution who is prevented from reaching his work station due to inclement weather or a state of emergency shall not be paid benefits for any week during which he otherwise would have been engaged in his professional duties, provided that the denial of such benefits is not inconsistent with Section 3304(a)(6)(A) of the Internal Revenue Code.

(6)] (a) Benefits shall not be paid on the basis of services performed by an alien unless such alien is an individual who was lawfully admitted for permanent residence at the time such services were performed, was lawfully present for purposes of performing such services, or was residing in the United States under color of law at the time such services were performed (including an alien who was lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the immigration and nationality act).

(b) Any data or information required of individuals applying for benefits to determine whether benefits are not payable to them because of their alien status shall be uniformly required from all applicants for benefits.

(c) In the case of an individual whose application for benefits would otherwise be approved, no determination that benefits to such individual are not payable because of his alien status shall be made except upon a preponderance of the evidence.

Section 5. KRS 341.370 is amended to read as follows:

(1) [According to the circumstances in each case, a worker shall be disqualified from receiving benefits:

(a) For not less than one (1) nor more than sixteen (16) weeks immediately following the commission of the disqualifying act, if, subsequent to his most recent work, he has failed without good cause either to apply for available, suitable work when so directed by the employment office or the secretary or to accept suitable work when offered him, or to return to his customary self-employment when so directed by the secretary; or

(b) For not less than six (6) nor more than sixteen (16) weeks immediately following the commission of the disqualifying act, if he has been discharged for misconduct connected with his most recent work, but legitimate activity in connection with labor organizations or failure to join a company union shall not be construed as misconduct.

(2)] A worker shall be disqualified from receiving benefits for the duration of any period of unemployment with respect to which:

(a) *He has failed without good cause either to apply for available, suitable work when so directed by the employment office or the secretary or to accept suitable work when offered him, or to return to his customary self-employment when so directed by the secretary; or* [He was discharged for dishonesty in connection with his most recent work;]

(b) *He has been discharged for misconduct or dishonesty connected with his most recent work, but legitimate activity in connection with labor organizations or failure to join a company union shall not be construed as misconduct* [He voluntarily quit his most recent work to marry or for the purpose of attending school, or to become self-employed]; or

(c) He has left his most recent suitable work voluntarily without good cause *attributable to the employment.*

(2)[(3)] A worker shall be disqualified from receiving benefits for any week with respect to which he knowingly made a false statement to establish his right to or the amount of his benefits, and, within the succeeding twenty-four (24) months, for such additional weeks immediately following the date of discovery, not to exceed a total of fifty-two (52), as may be determined by the secretary.

(3)[(4)] No worker shall be disqualified under paragraph (b) *or (c)* of *subsection* [subsections] (1) [or (2)] of this section unless the employer, within a reasonable time as prescribed by secretary's regulation, notifies the department for human resources and the worker in writing of the alleged voluntary quitting or the discharge for misconduct; Provided, however, That nothing in this subsection shall restrict the right of the secretary for human resources to disqualify a worker whose employer has refused or failed to notify the department for human resources of the alleged voluntary quitting or discharge for misconduct if such alleged voluntary quitting or discharge for misconduct is known to the secretary for human resources prior to the

time benefits are paid to such worker; Provided, further, That the exercise of such right by the secretary for human resources, in the absence of timely notice from the employer, shall not relieve the employer's reserve account of benefit charges under the provisions of subsection (3) of KRS 341.530.

(4)[(5)] As used in this section and in subsection (3) of KRS 341.530, "most recent" work shall be construed as that work which occurred after the first day of the worker's base period and which last preceded the week of unemployment with respect to which benefits are claimed; except that, if the work last preceding such week of unemployment was *seasonal,* intermittent or temporary in nature, most recent work may be construed as that work last preceding such *seasonal,* intermittent or temporary work.

Section 6. KRS 341.380 is amended to read as follows:

(1) All benefits shall be paid through employment offices, or such other agencies as may be designated by regulations of the secretary. Claims for all payments of benefits shall be made in accordance with regulations of the secretary.

(2) The weekly benefit rate payable to an eligible worker for weeks of unemployment shall, except as provided in KRS 341.390, be an amount equal to one twenty-third of his base-period wages in that calendar quarter of his base period in which such wages were highest[, except that no worker's weekly benefit rate shall be less than twelve dollars nor more than the maximum rate as determined in accordance with subsection (3) of this section].

(3) Prior to the first day of July of each year the secretary shall determine the average weekly wage for insured employment by dividing the average monthly employment, as obtained by dividing the total monthly employment reported by subject employers for the preceding calendar year by twelve, into the total wages reported by such employers for such calendar year and dividing by fifty-two. Fifty-five percent (55%) of the amount thus obtained, adjusted to the nearest multiple of one dollar, shall constitute the maximum weekly benefit rate for those workers whose benefit year commences on or after the first day of July of such year and prior to the first day of July of the next following year.

(4) The maximum amount of benefits payable to any worker within any benefit year shall be the amount equal to whichever is the lesser of (a) twenty-six times his weekly benefit rate or (b) one-third of his base-period wages, except that no worker's maximum amount shall be less than fifteen times his weekly benefit rate. Such maximum amount, if not a multiple of one dollar, shall be adjusted to the nearest multiple of one dollar.

Section 7. KRS 341.390 is amended to read as follows:

There shall be deducted from the benefit rate determined for a worker in accordance with subsection (2) of KRS 341.380:

(1) Eighty percent, adjusted to the nearest multiple of one dollar, of the amount of wages earned by such worker during the week of unemployment with respect to which he claims benefits; [and]

(2) The amount of remuneration which the worker has received or is receiving with respect to such week of unemployment (adjusted to the nearest multiple of one dollar) in the form of remuneration in lieu of notice*; and*

(3) (a) The amount of compensation payable to an individual for any week which begins after March 31, 1980, and which begins in a period with respect to which such individual is receiving a governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of such individual shall be reduced (but not below zero) by an amount equal to the amount of such pension, retirement or retired pay, annuity, or other payment which is reasonably attributable to such week;

(b) If Public Law 94-566 or the federal act which it amends for any cause shall become inoperative in its application, or stayed pendente lite, as to deductions of such compensation, then, subsection (3) of this section, by virtue of that fact, shall likewise and to the same extent, become inoperative as to such deductions.

Section 8. KRS 341.415 is amended to read as follows:

(1) Any person who has received any sum as benefits under this chapter while any condition for the receipt of such benefits was not fulfilled in his case, or while he was disqualified from receiving benefits, shall, in the discretion of the secretary, either have such sum deducted from any future benefits payable to him under this chapter or repay the department for the fund a sum equal to the amount so received by him. If after due notice the recipient of such sum fails to remit or arrange for remittance of the sum, the sum may be collected in the manner provided in subsection (2) of KRS 341.300 for collection of past due contributions and any sums so collected shall be credited to the pooled account.

(2) At or after the commencement of an action under subsection (1) of this section attachment may be had against property of the recipient of improperly paid benefits in the manner provided in subsection (3) of KRS 341.300.

(3) A lien on a parity with state, county, and municipal ad valorem tax liens, is hereby created in favor of the division upon all property of any recipient of improperly paid benefits. This lien shall be for a sum equal to the amount of the overpayment finally determined. The lien shall commence from such time

as the recipient has exhausted or abandoned the appeal procedure set forth in this chapter and the amount of the overpayment is finally fixed. A notice of lien may be filed in the same manner as that provided for in KRS 341.310.

(4) Any amount paid to a person as benefits, which he has been found liable to repay or to have deducted from future benefits under subsections (1), (2) and (3) of this section, which has neither been repaid nor so deducted within a period of *five (5)* [three (3)] years following the last day of the benefit year within which it was paid, *may* [shall] be deemed to be uncollectible and shall be permanently charged to the pooled account, except that if such payment was made by reason of fraudulent representations, no future benefits shall be paid such person *within a period of ten (10) years of the last day of the benefit year within which such payments were made at which time these amounts may be declared uncollectible* [until such amount has been repaid or deducted from such future benefits without respect to time].

(a) Nothing in this sub-chapter shall be deemed to affect collection of improperly paid benefits pursuant to a judgment or other legal remedy.

Section 9. Whereas, the enactment of the provisions of this Act are necessary to alleviate the inequitable burden placed by current law on employers, an emergency is declared to exist, and this Act shall become effective April 1, 1980.

The Committee Amendment No. 1 to **HB 864** is as follows:

Amend printed copy of **HB 864,** page 12, line 13, after "*0.4*" by adding "*, or the trust fund balance as of December 31 immediately preceding the rate year is less than one hundred million ($100,000,000) dollars*";

and on page 12, line 20, after "*0.4,*" by adding "*or the trust fund balance as of December 31 immediately preceding the rate year is less than one hundred million ($100,000,000) dollars,*".

The Committee Amendment No. 2 to **HB 864** is as follows:

Amend printed copy of **HB 864,** on page 13, line 25, delete "Schedule G", and insert in lieu thereof "Schedule H";

On page 28, line 16, following "and" insert "Section 7 of".

The Committee on Natural Resources and Environment reported **HB 919** with Committee Amendment attached thereto, **HB 830** with Committee Substitute attached thereto, **HB 703, HB 719, HB 752, HB 753, HB 754, HB 852, HB 853,** and **HCR 87** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 919, AN ACT relating to shale mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) The general assembly finds that the extraction, mining, and processing of oil shale is a technology which may assist the Commonwealth and the country in meeting its energy needs.

(2) The general assembly further finds that the reclamation of land affected by the extraction, mining, and processing of oil shale is necessary and that such affected land must be reclaimed so that it may be put to beneficial use by the land owner, and that the general environment may be protected.

(3) It is the intent of this Act to allow for the continued development of the oil shale mining industry in Kentucky, while requiring those persons involved in such mining operations to reclaim the land affected and conduct the operation so that the general environment is protected.

SECTION 2. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) No person shall engage in the extraction, mining, or processing of oil shale in the Commonwealth of Kentucky, except for pilot feasibility shale mining projects specifically permitted by the department, until such time as the department has promulgated permanent rules and regulations which provide standards for the mining of oil shale.

(2) The department shall adopt permanent rules and regulations specifically relating to the mining of oil shale within one (1) year after the effective date of this Act. Such rules and regulations shall allow

for the progressive development of methods for obtaining energy from oil shale, while protecting the Commonwealth from the adverse effects of such operations, such as soil erosion, water pollution, and the destruction of aesthetic and agricultural values. The rules and regulations shall include, but not be limited to, strip mining as defined by KRS 350.010(1), the surface effects of underground mining of oil shale, and in situ mining of oil shale.

(3) Prior to submitting for adoption the rules and regulations pursuant to subsection (2) of this section the secretary shall make a written finding to the interim joint committee which considers natural resources and environmental issues, that the permanent rules and regulations promulgated are based on sound scientific and engineering data.

(4) The secretary shall conduct a public hearing on the subject of the department's regulations for the mining of oil shale for the purpose of collecting data and receiving public comments.

SECTION 3. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) By the effective date of this Act, the department shall develop and submit for adoption, temporary regulations which will allow for the issuance of permits for pilot feasibility shale mining projects. The department may use the existing non-coal mining regulations contained in 405 Kentucky administrative regulations, chapter 5, and any other appropriate federal or state recommendations as guides in the development of these temporary regulations.

(2) Any permit issued pursuant to subsection (1) of this section shall expire upon the effective date of permanent rules and regulations adopted pursuant to subsection (2) of section 2.

SECTION 4. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

Any person who violates any of the provisions of this Act or rules and regulations promulgated pursuant to this Act shall be subject to civil penalties of not more than twenty-five thousand dollars ($25,000). Each day of continuing violation shall be deemed a separate violation.

The Committee Amendment to **HB 919** is as follows:

Amend printed copy of **HB 919,** on page 2, line 16, by striking the word "*strip*" and substituting therefor the word "*surface*"

and on page 2, line 21, by striking the word "*finding*" and substituting therefor the following: "*, progress report*"

and on page 2, line 23, by striking all words after the "," and also striking the ","

and on page 2, lines 24 and 25, by striking those lines in their entirety and inserting in lieu thereof the following:

"*each quarter of the year allotted to adopt permanent rules and regulations.*"

HB 830, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.060 is amended to read as follows:

(1) No operator shall engage in strip mining without having first obtained from the department a permit designating the area of land affected by the operation. Permits shall authorize the operator to engage in strip mining upon the area of land described in his application for a period of not less than two (2) years notwithstanding the date of issuance. No mining shall be permitted beyond the time period obligations of the initial or extended bond coverage;

(2) An operator desiring a permit shall file an application which shall state:

(a) The location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) The owner or owners of the surface of the area of land to be affected by the permit and the owner or owners of all surface area within five hundred (500) feet of any part of the affected area;

(c) The owner or owners of the coal to be mined;

(d) The source of the applicant's legal right to mine the coal on the land affected by the permit;

(e) The permanent and temporary post-office addresses of the applicant;

(f) Whether the applicant or any person, partnership or corporation associated with the applicant holds or has held any other permits under this chapter, and an identification of such permits;

(g) Whether or not the applicant is in compliance with subsection (3) of KRS 350.130 and whether or not every officer, partner, director or any individual owning of record or beneficially (alone or with associates) if known, ten percent (10%) or more of any class of stock of the applicant, is subject to any of the provisions of subsection (3) of KRS 350.130 and he shall so certify;

(h) Whether the area of land to be affected by the operation has been previously mined and is not in compliance with current reclamation standards, if so then identify the needed reclamation work;

(3) *The application for a strip mining permit shall be accompanied by an official document (and an affidavit attesting to the document's authenticity) which will evidence what particular business entity the applicant is, whether a foreign or domestic corporation, a partnership, an entity doing business as another, or, if sole proprietorship, then an affidavit so stating;*

(4) The application for a *strip mining* permit shall be accompanied by [five (5)] copies, *in numbers satisfactory to the department,* of a United States geological survey topographic map or such other map acceptable to the department on which the operator has indicated the location of the operation, the course which would be taken by drainage from the operation to the stream or streams to which such drainage would normally flow, the name of the applicant and date, and the name of the person who located the operation on the map;

(5)[(4)] The application for a *strip mining* permit shall be accompanied by]five (5)] copies, *in numbers satisfactory to the department,* of an enlarged United States geological survey topographic map or such other map acceptable to the department meeting the requirements of the subsections below. The map shall:

(a) Be prepared and certified by a professional engineer, registered under the provisions of KRS Chapter 322. The certification shall be in the form as provided in subsection *(6)* [(5)] below;

(b) Identify the area to correspond with the application;

(c) Show adjacent deep mining and the boundaries of surface properties and names of owners on the affected area and within five hundred (500) feet of any part of the affected area;

(d) Be of a scale of not less than four hundred (400) feet to the inch and not to exceed six hundred and sixty (660) feet to the inch;

(e) Show the names and locations of all streams, creeks, or other bodies of public water, roads, buildings, cemeteries, oil and gas wells, and utility lines on the area of land affected and within five hundred (500) feet of such area;

(f) Show by appropriate markings the boundaries of the area of land affected, the cropline of the seam or deposit of coal to be mined, and the total number of acres involved in the area of land affected;

(g) Show the date on which the map was prepared, the north point and the quadrangle name;

(h) Show the drainage plan on and away from the area of land affected. Such plan shall indicate the directional flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving the discharge;

(6)[(5)] The certification of the maps by the professional engineer shall read as follows: "I, the undersigned, hereby certify that this map is correct, and shows to the best of my knowledge and belief all the information required by the strip mining laws of this state." The certification shall be signed and notarized. The department may reject any map as incomplete if its accuracy is not so attested;

(7)[(6)] The application for a permit shall be accompanied by a transportation plan which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. The transportation plan shall contain a certification by a duly authorized official of the department of transportation attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and the accuracy of the specifications of weight limits on such highways and bridges;

(8)[(7)] In addition to the information and maps required above, each application for a permit shall be accompanied by detailed plans or proposals showing the method of operation, the manner, time and distance for backfilling, grading work and a reclamation plan for the affected area, which proposals shall meet the requirements of this chapter and rules and regulations adopted pursuant thereto;

(9)[(8)] Each application shall also be accompanied by a statement of consent to have strip mining conducted upon the area of land described in the application for a permit. The statement of consent shall be signed by each holder of a freehold interest in such land. Each signature shall be notarized. No permit shall be issued if the application therefor is not accompanied by the statement of consent. This statement of consent shall not be required for coal mined under the provisions of KRS Chapters 351 and 352;

(10)[(9)] A basic fee set by regulation, and bearing a reasonable relationship to the cost of processing the permit application but not to exceed two hundred fifty dollars ($250) plus a fee set by regulation but not to exceed fifty dollars ($50) for each acre or fraction thereof of the area of land to be affected by the operation, shall be paid before the permit required herein shall be issued. The operator shall file with the department a bond payable to the Commonwealth of Kentucky with surety satisfactory to the department in the penal sum to be determined by the department on the recommendation of the secretary of not less than five hundred dollars ($500) nor more than three thousand dollars ($3,000) for each acre or fraction thereof of the area of land affected, with a minimum bond of five thousand dollars ($5,000), conditioned upon the faithful performance of the requirements set forth in this chapter and of the rules and regulations of the department. In determining the amount of the bond within the above limits, the department shall take into consideration the character and nature of the overburden, the future suitable use of the land involved and the cost of backfilling, grading and reclamation to be required. In a particular instance where the circumstances are such as to warrant an exception, the department, in its discretion, may reduce the amount of the bond for a particular operation to less than the required minimum;

(11)[(10)] The department shall promulgate rules and regulations setting forth operation requirements for the extraction of coal for commercial purposes where the strip mining operation affects two (2) acres or less. Such regulations shall not be more stringent than those imposed on strip mining operations affecting more than two (2) acres. All performance, procedural, and notice requirements for strip mining operations which affect two (2) acres or less shall be promulgated by regulation pursuant to this subsection, except the enforcement provisions of KRS 350.130, the penalty provisions of KRS 350.990, the permit requirements in subsection (1) of this section, and the bonding requirements set forth in subsection *(10)* [(9)] of this section;

(12)[(11)] Any valid permit issued pursuant to this chapter shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holders of the permit may apply for renewal and such renewal shall be issued (provided that on application for renewal the burden shall be on the opponents of renewal), and the public notice requirements of this chapter shall not apply unless it is established and written findings by the department are made that:

(a) The terms and conditions of the existing permit are not being satisfactorily met;

(b) The present strip coal mining and reclamation operation is not in compliance with the environmental protection standards of this chapter;

(c) The renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;

(d) The operator has not provided evidence that the performance bond in effect for any renewal requested in such application as well as any additional bond the department might require; or

(e) Any additional revised or updated information required by the department has not been provided;

Prior to the approval of any renewal of permit the department shall provide notice to the appropriate public authorities;

(13)[(12)] If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this chapter;

(14)[(13)] Any permit renewal shall be for a term not to exceed the period of the original permit. Application for permit renewal shall be made not later than thirty (30) working days prior to the expiration of the valid permit.

Section 2. KRS 350.090 is amended to read as follows:

(1) Under the provisions of this chapter and regulations adopted by the department, an operator shall prepare and carry out a method of operation, plan of grading and backfilling and a reclamation plan for the area of land affected by his operation. In developing a method of operation, and the plans of backfilling, grading and reclamation, all measures shall be taken to eliminate damages to members of the public, their real and personal property, public roads, streams and all other public property from soil erosion, rolling stones and overburden, water pollution and hazards dangerous to life and property. The plan shall be submitted to the department and the department shall notify the applicant by certified mail, return receipt requested or by registered mail within *sixty-five (65)* [thirty (30)] working days after receipt of the plan and complete application if it is or is not acceptable. *In the event that the notice, hearing, and conference procedures as mandated by this chapter prevent a decision from being issued within the sixty-five (65) working day period, the department shall have additional reasonable time to issue its decision, but not to exceed thirty (30) days from the completion of the notice, hearing and conference procedures.* If the plan is not acceptable, the department shall set forth the reasons for which the plan is not acceptable and it may propose modifications, delete areas or reject the entire plan. Should the applicant disagree with the decision of the department, he may, by written notice, request a hearing conducted by the department in the manner provided by KRS 224.083. The department shall notify the applicant by certified mail, return receipt requested or by registered

mail within twenty (20) days after the hearing of its decision. Any person aggrieved by a final order of the department may appeal through the courts as set forth in KRS 224.085.

(2) No operator shall throw, dump, pile or permit the dumping, piling or throwing or otherwise placing any overburden, stones, rocks, coal, particles of coal, earth, soil, dirt, debris, trees, wood, logs, or any other materials or substances of any kind or nature beyond or outside of the area of land which is under permit and for which bond has been posted under KRS 350.060 or place such materials herein described in such a way that normal erosion or slides brought about by natural physical causes will permit such materials to go beyond or outside of the area of land which is under permit and for which bond has been posted under KRS 350.060.

SECTION 3. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) When the secretary has reason to believe that a person has engaged in or is about to engage in any knowing violation of KRS Chapter 350 or regulations adopted pursuant thereto, he may execute in writing and cause to be served upon any person who is believed to have information, documentary material or physical evidence relevant to the alleged or suspected violation, an investigative demand requiring such person to furnish, under oath or otherwise, a report in writing setting forth the relevant facts and circumstances of which he has knowledge, or to appear and testify or to produce relevant documentary material or physical evidence for examination, at such reasonable time and place as may be stated in the investigative demand, concerning the purchasing, sale, or offering for purchase any coal or services or the conduct of any trade or commerce that is relevant to the subject matter of the investigation. No person who has a place of business in Kentucky shall be required to appear or present documentary material or physical evidence pursuant to this section outside of the county where he has his principal place of business within the Commonwealth.

(2) At any time before the return date specified in an investigative demand, or within twenty (20) days after the demand has been served, whichever period is shorter, a petition to extend the return date, or to modify or set aside the demand, stating good cause, may be filed in the Franklin Circuit Court or any other circuit court with concurrent jurisdiction.

(3) Whenever the secretary has probable cause to believe that a person has engaged in, or is engaging in, a knowing violation of KRS Chapter 350 or regulations adopted pursuant thereto, and whenever the secretary has probable cause to believe that information will not be obtainable by means of a proper investigative demand issued pursuant to this chapter, he may apply to Franklin Circuit Court or any other circuit court with concurrent jurisdiction for an ex parte order impounding any record, book, document, account, paper or other evidence which is material to the suspected violation under investigation. Such motion shall state in writing the grounds which the secretary believes constitute probable cause. The circuit court shall specify by order the length of time for copy or inspection.

Section 4. KRS 350.139 is amended to read as follows:

(1) All prior enactments of this general assembly to the contrary notwithstanding, all funds received by the department for natural resources and environmental protection through the payment of fees *and civil penalties* shall be deposited in the state treasury to the credit of the general fund effective July 1, 1972. All funds from the forfeiture of bonds shall be placed in the state treasury and credited to a special agency account. As far as is practicable, this fund shall be expended upon the lands for which the bond was given. All unexpended funds in the department for natural resources and environmental protection trust and agency accounts established by KRS 350.140 shall lapse to the general fund at the close of the 1971-72 fiscal year, provided however, that an amount not exceeding $400,000 may be transferred to a revolving fund to be used for interim financing of federal grant-in-aid projects.

(2) The state treasurer shall on or before August 1 of each year transfer fifty percent (50%) of all funds paid during the preceding fiscal year as fees for the issuance of any permit *for surface coal mining operations* [to strip mine] to the fiscal courts of the county in which the permitted operation is located for the general purposes of that fiscal court.

Section 5. KRS 350.152 is amended to read as follows:

(1) The Commonwealth, acting by and through its department for natural resources and environmental protection, shall have the power to acquire, either by negotiation or by exercise of the power of eminent domain, land which has been affected or disturbed by strip or auger mining, *or by other surface coal mining operations* which consists of orphan banks or unreclaimed spoil piles.

(2) Prior to acquiring any land pursuant to KRS 350.152 to 350.163 and 350.240, the department for natural resources and environmental protection shall extend to the owners thereof an opportunity to backfill, grade, plant and do other acts of restoration thereon to the same extent and within the same time limits as prescribed by KRS Chapter 350 and regulations adopted pursuant thereto. If the owner or owners agree in writing to perform such restoration and, weather permitting, start such restoration within a period of thirty (30) days, the land shall not be acquired by the commonwealth.

(3) The department for natural resources and environmental protection shall attempt to purchase any land which it has determined should be acquired for the purpose of restoration and which the owners have

not agreed to restore as provided in subsection (2) above. In any case where the department and the owners of the land are unable to agree upon the amount to be paid for the land, the department may exercise the power of eminent domain against such land by filing a condemnation suit under the procedure of the Eminent Domain Act of Kentucky.

(4) The purchase price, in the case of a negotiated acquisition, or the damages as finally determined, in the case of acquisition by condemnation, and the necessary expenses incidental thereto, shall be paid from appropriations made by the general assembly for such purposes and appropriations to which federal funds made available for such purposes have been credited.

Section 6. KRS 350.470 is amended to read as follows:

For the purposes of regulations promulgated under the provisions of KRS 350.465, *and pursuant to any other section which confers authority on the department to promulgate regulations for the permanent regulatory program consistent with P.L. 95-87,* the interim joint committee *of jurisdiction* [on agriculture and natural resources] shall have the same authority and responsibility as the administrative regulations review subcommittee has under KRS Chapter 13. Following the regulations review by the interim committee the same shall be reviewed by the administrative regulations review subcommittee for the purposes of KRS Chapter 13.

SECTION 7. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) After the approval and implementation of the permanent regulatory program, any person may petition the secretary to initiate a proceeding for the issuance, amendment, or repeal of any regulation under this chapter.

(2) Such petitions shall be filed in Frankfort, Kentucky at the regular business office of the department for natural resources and environmental protection. The petition shall set forth a simple and precise statement of the facts, law, and reasons why the secretary should initiate a rulemaking proceeding.

(3) Within thirty (30) days of the receipt of the petition, the secretary may hold, and if requested by the petitioner, shall hold a public hearing in which the petitioner and any other person wishing to participate may comment on the petition. The department shall receive comments on any facts, scientific or technical data, or law that relate to the petition. The secretary shall grant or deny the petition within ninety (90) days after the hearing. If the secretary grants the petition, the secretary shall promptly commence rulemaking procedures pursuant to KRS Chapter 13. If the secretary denies the petition, he shall so notify the petitioner in writing setting forth the reasons for such denial.

Section 8. KRS 350.455 is amended to read as follows:

If authorized in the approved [strip] mining and reclamation plan and permit, the operator may create permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that:

(1) The size of the impoundment is adequate for its intended purposes;

(2) The impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006);

(3) The quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality below water quality standards established pursuant to applicable federal and state law in the receiving stream;

(4) The level of water will be reasonably stable;

(5) Final grading will provide adequate safety and access for proposed water users; and

(6) Such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses.

Section 9. KRS 224.033 is amended to read as follows:

In addition to any other powers and duties vested in it by law, the department shall have the authority, power, and duty to:

(1) Exercise general supervision of the administration and enforcement of Acts 1972 (1st Ex. Sess.), ch. 3, and all rules, regulations and orders promulgated thereunder;

(2) Prepare and develop a comprehensive plan or plans related to the environment of the Commonwealth;

(3) Encourage industrial, commercial, residential and community development which provides the best usage of land areas, maximizes environmental benefits and minimizes the effects of less desirable environmental conditions;

(4) Develop and conduct a comprehensive program for the management of water, land, and air resources to assure their protection and balance utilization consistent with the environmental policy of the Commonwealth;

(5) Provide for the prevention, abatement, and control of all water, land, and air pollution including but not limited to that related to particulates, pesticides, gases, dust, vapors, noise, radiation, odor, nutrients, heated liquid, or other contaminants;

(6) Provide for the control and regulation of *surface coal* [strip] mining and reclamation in a manner to accomplish the purposes of KRS chapter 350;

(7) Secure necessary scientific, technical, administrative, and operational services, including laboratory facilities, by contract or otherwise;

(8) Collect and disseminate information and conduct educational and training programs relating to the protection of the environment;

(9) Appear and participate in proceedings before any federal regulatory agency involving or affecting the purposes of the department;

(10) Enter and inspect any property or premises for the purpose of investigating either actual or suspected sources of pollution or contamination or for the purpose of ascertaining compliance or noncompliance with Acts 1972 (1st Ex. Sess.), ch. 3, or any rule or regulation which may be promulgated thereunder;

(11) Conduct investigations and hold hearings and compel the attendance of witnesses and the production of accounts, books and records by the issuance of subpoenas;

(12) Accept, receive, and administer grants or other funds or gifts from public and private agencies including the federal government for the purpose of carrying out any of the functions of the department. Such funds received by the department shall be deposited in the state treasury to the account of the department;

(13) Request and receive the assistance of any state or municipal educational institution, experiment station, laboratory, or other agency when it is deemed necessary or beneficial by the department in the performance of its duties;

(14) Advise, consult, and cooperate with other agencies of the Commonwealth, other states, the federal government, and interstate and interlocal agencies, and affected persons, groups and industries;

(15) Formulate guides for measuring presently unidentified environmental values and relationships so they can be given appropriate consideration along with social, economic, and technical considerations in decision making;

(16) Monitor the environment to afford more effective and efficient control practices, to identify changes and conditions in ecological systems and to warn of emergency conditions;

(17) Adopt, modify or repeal with the recommendation of the commission any standard, rule, regulation or plan specified in subsections (5) and (6) of KRS 224.045;

(18) Issue, after hearing, orders abating activities in violation of this chapter, or the provisions of Acts 1972 (1st Ex. Sess.), ch. 3, or the regulations promulgated pursuant thereto and requiring the adoption of such remedial measures as the department may deem necessary;

(19) Issue, continue in effect, revoke, modify, suspend or deny under such conditions as the department may prescribe, permits to discharge into any waters of the Commonwealth, and for the installation, alteration, expansion, or operation of any sewage system; the installation, alteration, or use of any machine, equipment, device or other article that may cause or contribute to air pollution or is intended primarily to prevent or control the emission of air pollution; or the establishment or construction and the operation or maintenance of waste disposal sites and facilities; and require that applications for such permits be accompanied by plans, specifications, and such other information as the department deems necessary;

(20) May establish, by regulation, a fee or schedule of fees for the cost of processing applications for permits authorized by this chapter, and for the cost of processing applications for exemptions or partial exemptions which may include but not be limited to the administrative costs of a hearing held as a result of such exemption application, except that applicants for existing or proposed publicly owned facilities shall be exempt from any such charge;

(21) May require for persons discharging into the waters or onto the land of the Commonwealth, by regulation, order or permit, technological levels of treatment and effluent limitations;

(22) Require, by regulation, that any person engaged in any operation regulated pursuant to this chapter install, maintain, and use at such locations and intervals as the department may prescribe any equipment, device or test and the methodologies and procedures for the use of such equipment, device or test to monitor the nature and amount of any substance emitted or discharged into the ambient air or waters or land of the Commonwealth and to provide any information concerning such monitoring to the department in accordance with the provisions of subsection (23) of this section;

(23) Require by regulation that any person engaged in any operation regulated pursuant to this chapter file with the department reports containing information as to location, size, height, rate of emission or discharge, and composition of any substance discharged or emitted into the ambient air or into the waters or onto the land of the Commonwealth, and such other information as the department may require;

(24) Establish a comprehensive waste management plan in order to ensure that wastes are properly collected, stored, processed, transported, disposed, and recycled;

(25) Perform such other and further acts as may be necessary to carry out the duties and responsibilities herein described; and

(26) Preserve existing clean air resources while ensuring economic growth by issuing regulations, which shall be no more stringent than federal requirements, setting maximum allowable increases from stationary sources over baseline concentrations of air contaminants to prevent significant deterioration in areas meeting the state and national ambient air quality standards.

Section 10. KRS 350.210, Monuments marking permit areas, is repealed.

The Committee Substitute to **HB 830** is as follows:

Committee Substitute for **HB 830,** AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.055 is amended to read as follows:

(1) A prospective applicant for a permit required by KRS 350.060 shall publish at least once, a public notice of his intention to file an application for that permit. Such publication shall be made by advertisement in a newspaper of largest bona fide circulation, according to the definition in KRS 424.110 to 424.120, in the county wherein the proposed mining site is located.

(2) The publication shall be made not less than ten (10) nor more than thirty (30) days prior to the filing of the permit application with the department.

(3) The public notice of the *filing of* [intention to file] an application shall be entitled "Notice of Intention to Mine" and shall be in a manner and form prescribed by the department and shall include, though not be limited to, the following:

(a) The name and address of the applicant;

(b) The location of the proposed mining site;

[(c) A brief description of the kind of mining activity proposed, together with a statement of the amount of acreage affected by the proposed operation.]

(4) *A copy of the newspaper advertisement of the operator's "Notice of Intention to Mine" shall be filed with the department and made a part of the complete application within a reasonable time after the last date of publication* [The applicant for a permit required by KRS 350.060 shall establish the date and place at which the "Notice of Intention to Mine" was published by attaching to his application a verified affidavit from the publishing newspaper containing the information required by this section].

Section 2. KRS 350.035 is amended to read as follows:

There is established within the department a bureau of surface mining reclamation and enforcement which shall be headed by a commissioner appointed by the secretary with the approval of the governor as required by KRS 12.050. The secretary *may* [shall] divide the bureau into a division of permits, division of standards and specifications, division of operations and enforcement, division of orphan land reclamation, and any other offices or divisions as the secretary may deem necessary to perform the functions, powers and duties of the bureau, subject to the provisions of KRS Chapter 12.

Section 3. KRS 350.060 is amended to read as follows:

(1) No operator shall engage in strip mining without having first obtained from the department a permit designating the area of land affected by the operation. Permits shall authorize the operator to engage in strip mining upon the area of land described in his application for a period of not less than two (2) years notwithstanding the date of issuance. No mining shall be permitted beyond the time period obligations of the initial or extended bond coverage;

(2) An operator desiring a permit shall file an application which shall state:

(a) The location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) The owner or owners of the surface of the area of land to be affected by the permit and the owner or owners of all surface area *adjacent to* [within five hundred (500) feet of] any part of the affected area;

(c) The owner or owners of the coal to be mined;

(d) The source of the applicant's legal right to mine the coal on the land affected by the permit;

(e) The permanent and temporary post-office addresses of the applicant;

(f) Whether the applicant or any person, partnership or corporation associated with the applicant holds or has held any other permits under this chapter, and an identification of such permits;

(g) Whether or not the applicant is in compliance with subsection (3) of KRS 350.130 and whether or not every officer, partner, director or any individual owning of record or beneficially (alone or with associates) if known, ten percent (10%) or more of any class of stock of the applicant, is subject to any of the provisions of subsection (3) of KRS 350.130 and he shall so certify;

(h) Whether the area of land to be affected by the operation has been previously mined and is not in compliance with current reclamation standards, if so then identify the needed reclamation work;

(3) *The application for a permit shall be accompanied by an official document (and an affidavit attesting to the document's authenticity) which will evidence what particular business entity the applicant is, whether a foreign or domestic corporation, a partnership, an entity doing business as another, or, if sole proprietorship, then an affidavit so stating;*

(4) The application for a permit shall be accompanied by [five (5)] copies, *in numbers satisfactory to the department,* of a United States geological survey topographic map or such other map acceptable to the department on which the operator has indicated the location of the operation, the course which would be taken by drainage from the operation to the stream or streams to which such drainage would normally flow, the name of the applicant and date, and the name of the person who located the operation on the map;

(5)[(4)] The application for a permit shall be accompanied by [five (5)] copies, *in numbers satisfactory to the department,* of an enlarged United States geological survey topographic map or such other map acceptable to the department meeting the requirements of the subsections below. The map shall:

(a) Be prepared and certified by a professional engineer, registered under the provisions of KRS Chapter 322. The certification shall be in the form as provided in subsection *(6)* [(5)] below;

(b) Identify the area to correspond with the application;

(c) Show adjacent deep mining and the boundaries of surface properties and names of owners on the affected area and *adjacent to* [within five hundred (500) feet of] any part of the affected area;

(d) Be of a scale of *1:24,000 or larger* [not less than four hundred (400) feet to the inch and not to exceed six hundred and sixty (660) feet to the inch];

(e) Show the names and locations of all streams, creeks, or other bodies of public water, roads, buildings, cemeteries, oil and gas wells, and utility lines on the area of land affected and within five hundred (500) feet of such area;

(f) Show by appropriate markings the boundaries of the area of land affected, the cropline of the seam or deposit of coal to be mined, and the total number of acres involved in the area of land affected;

(g) Show the date on which the map was prepared, the north point and the quadrangle name;

(h) Show the drainage plan on and away from the area of land affected. Such plan shall indicate the directional flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving the discharge;

(6)[(5)] The certification of the maps by the professional engineer shall read as follows: "I, the undersigned, hereby certify that this map is correct, and shows to the best of my knowledge and belief all the information required by the strip mining laws of this state." The certification shall be signed and notarized. The department may reject any map as incomplete if its accuracy is not so attested;

(7)[(6)] The application for a permit shall be accompanied by a transportation plan which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. The transportation plan shall contain a certification by a duly authorized official of the department of transportation attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and the accuracy of the specifications of weight limits on such highways and bridges. *All trucks hauling coal under this plan shall be covered by a tarp or equivalent cover to prevent spillage, and coal shall not be piled or loaded above the original bed. Any person found in violation of this provision shall be fined not more than five hundred dollars ($500) for each violation, nor less than fifty dollars ($50)*;

(8)[(7)] In addition to the information and maps required above, each application for a permit shall be accompanied by detailed plans or proposals showing the method of operation, the manner, time and distance for backfilling, grading work and a reclamation plan for the affected area, which proposals shall meet the requirements of this chapter and rules and regulations adopted pursuant thereto;.

(9)[(8)] Each application shall also be accompanied by a statement of consent to have strip mining conducted upon the area of land described in the application for a permit. The statement of consent shall be signed by each holder of a freehold interest in such land. Each signature shall be notarized. No permit shall be issued if the application therefor is not accompanied by the statement of consent. This statement of consent shall not be required for coal mined under the provisions of KRS Chapters 351 and 352;

(10)[(9)] A basic fee set by regulation, and bearing a reasonable relationship to the cost of processing the permit application but not to exceed two hundred fifty dollars ($250) plus a fee set by regulation but not to exceed fifty dollars ($50) for each acre or fraction thereof of the area of land to be affected by the operation, shall be paid before the permit required herein shall be issued. The operator shall file with the department a bond payable to the Commonwealth of Kentucky with surety satisfactory to the department

in the penal sum to be determined by the department on the recommendation of the secretary of not less than five hundred dollars ($500) nor more than three thousand dollars ($3,000) for each acre or fraction thereof of the area of land affected, with a minimum bond of five thousand dollars ($5,000), conditioned upon the faithful performance of the requirements set forth in this chapter and of the rules and regulations of the department. In determining the amount of the bond within the above limits, the department shall take into consideration the character and nature of the overburden, the future suitable use of the land involved and the cost of backfilling, grading and reclamation to be required. In a particular instance where the circumstances are such as to warrant an exception, the department, in its discretion, may reduce the amount of the bond for a particular operation to less than the required minimum;

(11)[(10)] The department shall promulgate rules and regulations setting forth operation requirements for the extraction of coal for commercial purposes where the strip mining operation affects two (2) acres or less. Such regulations shall not be more stringent than those imposed on strip mining operations affecting more than two (2) acres. All performance, procedural, and notice requirements for strip mining operations which affect two (2) acres or less shall be promulgated by regulation pursuant to this subsection, except the enforcement provisions of KRS 350.130, the penalty provisions of KRS 350.990, the permit requirements in subsection (1) of this section, and the bonding requirements set forth in subsection *(10)* [(9)] of this section;

(12)[(11)] Any valid permit issued pursuant to this chapter shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holders of the permit may apply for renewal and such renewal shall be issued (provided that on application for renewal the burden shall be on the opponents of renewal), and the public notice requirements of this chapter shall not apply unless it is established and written findings by the department are made that:

(a) The terms and conditions of the existing permit are not being satisfactorily met;

(b) The present strip coal mining and reclamation operation is not in compliance with the environmental protection standards of this chapter;

(c) The renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;

(d) The operator has not provided evidence that the performance bond in effect for any renewal requested in such application as well as any additional bond the department might require; or

(e) Any additional revised or updated information required by the department has not been provided; Prior to the approval of any renewal of permit the department shall provide notice to the appropriate public authorities;

(13)[(12)] If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this chapter;

(14)[(13)] Any permit renewal shall be for a term not to exceed the period of the original permit. Application for permit renewal shall be made not later than thirty (30) working days prior to the expiration of the valid permit.

Section 4. KRS 350.139 is amended to read as follows:

(1) All prior enactments of this general assembly to the contrary notwithstanding, all funds received by the department for natural resources and environmental protection through the payment of fees *and civil penalties* shall be deposited in the state treasury to the credit of the general fund effective July 1, 1972. All funds from the forfeiture of bonds shall be placed in the state treasury and credited to a special agency account. As far as is practicable, this fund shall be expended upon the lands for which the bond was given. All unexpended funds in the department for natural resources and environmental protection trust and agency accounts established by KRS 350.140 shall lapse to the general fund at the close of the 1971-72 fiscal year, provided however, that an amount not exceeding $400,000 may be transferred to a revolving fund to be used for interim financing of federal grant-in-aid projects.

(2) The state treasurer shall on or before August 1 of each year transfer fifty percent (50%) of all funds paid during the preceding fiscal year as fees for the issuance of any permit *for surface coal mining operations* [to strip mine] to the fiscal courts of the county in which the permitted operation is located for the general purposes of that fiscal court.

Section 5. KRS 350.152 is amended to read as follows:

(1) The Commonwealth, acting by and through its department for natural resources and environmental protection, shall have the power to acquire, either by negotiation or by exercise of the power of eminent domain, land which has been affected or disturbed by strip or auger mining, *or by other surface coal mining operations* which consists of orphan banks or unreclaimed spoil piles.

(2) Prior to acquiring any land pursuant to KRS 350.152 to 350.163 and 350.240, the department for natural resources and environmental protection shall extend to the owners thereof an opportunity to backfill, grade, plant and do other acts of restoration thereon to the same extent and within the same time limits

as prescribed by KRS Chapter 350 and regulations adopted pursuant thereto. If the owner or owners agree in writing to perform such restoration and, weather permitting, start such restoration within a period of thirty (30) days, the land shall not be acquired by the commonwealth.

(3) The department for natural resources and environmental protection shall attempt to purchase any land which it has determined should be acquired for the purpose of restoration and which the owners have not agreed to restore as provided in subsection (2) above. In any case where the department and the owners of the land are unable to agree upon the amount to be paid for the land, the department may exercise the power of eminent domain against such land by filing a condemnation suit under the procedure of the Eminent Domain Act of Kentucky.

(4) The purchase price, in the case of a negotiated acquisition, or the damages as finally determined, in the case of acquisition by condemnation, and the necessary expenses incidental thereto, shall be paid from appropriations made by the general assembly for such purposes and appropriations to which federal funds made available for such purposes have been credited.

Section 6. KRS 350.470 is amended to read as follows:

For the purposes of regulations promulgated under the provisions of KRS 350.465, *and pursuant to any other section which confers authority on the department to promulgate regulations for the permanent regulatory program consistent with P.L. 95-87,* the interim joint committee *of jurisdiction* [on agriculture and natural resources] shall have the same authority and responsibility as the administrative regulations review subcommittee has under KRS Chapter 13. Following *acceptance or rejection of* the regulations [review] by the interim committee the same shall be reviewed by the administrative regulations review subcommittee for the purposes of KRS Chapter 13, *provided that: (1) review by the administrative regulation review subcommittee may begin before acceptance or rejection of the regulations by the interim committee; and (2) the interim committee must accept or reject the regulations within twenty (20) days of the date the regulations are submitted to the legislative research commission for purposes of legislative review. The governor shall have the same authority to issue emergency regulations under this section that he has under KRS Chapter 13.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) Any person may petition the secretary of the department for natural resources and environmental protection to initiate a proceeding for the issuance, amendment or repeal of any regulation under this chapter.

(2) Notice and an opportunity shall be provided for the petitioner and any person wishing to participate to be heard at a public hearing within thirty (30) days following the filing of the petition on the facts, technical justification and law alleged in the petition.

(3) The secretary shall render a final order in writing within thirty (30) days after the hearing granting or denying the petition on grounds that there is a reasonable basis for the petitioned rule change, or is not, or that it is required or prohibited by law and setting forth the reasons for the decision.

(4) The secretary shall initiate a rulemaking proceeding pursuant to KRS Chapter 13 within thirty (30) days after a petition is granted proposing the issuance, amendment or repeal of the petitioned regulations in conformity with the final order.

(5) Any participant in the petition proceedings may seek review in the circuit court of Franklin County of a final order of the secretary denying all or any portion of the action requested in a petition.

Section 8. KRS 350.455 is amended to read as follows:

If authorized in the approved [strip] mining and reclamation plan and permit, the operator may create permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that:

(1) The size of the impoundment is adequate for its intended purposes;

(2) The impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006);

(3) The quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality below water quality standards established pursuant to applicable federal and state law in the receiving stream;

(4) The level of water will be reasonably stable;

(5) Final grading will provide adequate safety and access for proposed water users; and

(6) Such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses.

Section 9. KRS 350.230 is amended to read as follows:

Irrespective of date of issuance of a permit, all operators shall immediately conform to any statutes enacted or regulations adopted on the effective date of such statute or regulation. This section shall not require the regrading or replanting of any area on which such work was satisfactorily performed prior to the effective date of the statute or regulation. *The department shall specify for every regulation promulgated pursuant to this chapter the effective date of such regulation. However, the department may specify a reasonable period of time in which operators shall conform to any regulations adopted when it finds that such conformance time is reasonably necessary.*

Section 10. KRS 224.033 is amended to read as follows:

In addition to any other powers and duties vested in it by law, the department shall have the authority, power, and duty to:

(1) Exercise general supervision of the administration and enforcement of Acts 1972 (1st Ex. Sess.), ch. 3, and all rules, regulations and orders promulgated thereunder;

(2) Prepare and develop a comprehensive plan or plans related to the environment of the Commonwealth;

(3) Encourage industrial, commercial, residential and community development which provides the best usage of land areas, maximizes environmental benefits and minimizes the effects of less desirable environmental conditions;

(4) Develop and conduct a comprehensive program for the management of water, land, and air resources to assure their protection and balance utilization consistent with the environmental policy of the Commonwealth;

(5) Provide for the prevention, abatement, and control of all water, land, and air pollution including but not limited to that related to particulates, pesticides, gases, dust, vapors, noise, radiation, odor, nutrients, heated liquid, or other contaminants;

(6) Provide for the control and regulation of *surface coal* [strip] mining and reclamation in a manner to accomplish the purposes of KRS chapter 350;

(7) Secure necessary scientific, technical, administrative, and operational services, including laboratory facilities, by contract or otherwise;

(8) Collect and disseminate information and conduct educational and training programs relating to the protection of the environment;

(9) Appear and participate in proceedings before any federal regulatory agency involving or affecting the purposes of the department;

(10) Enter and inspect any property or premises for the purpose of investigating either actual or suspected sources of pollution or contamination or for the purpose of ascertaining compliance or noncompliance with Acts 1972 (1st Ex. Sess.), ch. 3, or any rule or regulation which may be promulgated thereunder;

(11) Conduct investigations and hold hearings and compel the attendance of witnesses and the production of accounts, books and records by the issuance of subpoenas;

(12) Accept, receive, and administer grants or other funds or gifts from public and private agencies including the federal government for the purpose of carrying out any of the functions of the department. Such funds received by the department shall be deposited in the state treasury to the account of the department;

(13) Request and receive the assistance of any state or municipal educational institution, experiment station, laboratory, or other agency when it is deemed necessary or beneficial by the department in the performance of its duties;

(14) Advise, consult, and cooperate with other agencies of the Commonwealth, other states, the federal government, and interstate and interlocal agencies, and affected persons, groups and industries;

(15) Formulate guides for measuring presently unidentified environmental values and relationships so they can be given appropriate consideration along with social, economic, and technical considerations in decision making;

(16) Monitor the environment to afford more effective and efficient control practices, to identify changes and conditions in ecological systems and to warn of emergency conditions;

(17) Adopt, modify or repeal with the recommendation of the commission any standard, rule, regulation or plan specified in subsections (5) and (6) of KRS 224.045;

(18) Issue, after hearing, orders abating activities in violation of this chapter, or the provisions of Acts 1972 (1st Ex. Sess.), ch. 3, or the regulations promulgated pursuant thereto and requiring the adoption of such remedial measures as the department may deem necessary;

(19) Issue, continue in effect, revoke, modify, suspend or deny under such conditions as the department may prescribe, permits to discharge into any waters of the Commonwealth, and for the installation, alteration, expansion, or operation of any sewage system; the installation, alteration, or use of any machine, equipment, device or other article that may cause or contribute to air pollution or is intended primarily to prevent or control the emission of air pollution; or the establishment or construction and the operation or maintenance of waste disposal sites and facilities; and require that applications for such permits be accompanied by plans, specifications, and such other information as the department deems necessary;

(20) May establish, by regulation, a fee or schedule of fees for the cost of processing applications for permits authorized by this chapter, and for the cost of processing applications for exemptions or partial

exemptions which may include but not be limited to the administrative costs of a hearing held as a result of such exemption application, except that applicants for existing or proposed publicly owned facilities shall be exempt from any such charge;

(21) May require for persons discharging into the waters or onto the land of the Commonwealth, by regulation, order or permit, technological levels of treatment and effluent limitations;

(22) Require, by regulation, that any person engaged in any operation regulated pursuant to this chapter install, maintain, and use at such locations and intervals as the department may prescribe any equipment, device or test and the methodologies and procedures for the use of such equipment, device or test to monitor the nature and amount of any substance emitted or discharged into the ambient air or waters or land of the Commonwealth and to provide any information concerning such monitoring to the department in accordance with the provisions of subsection (23) of this section;

(23) Require by regulation that any person engaged in any operation regulated pursuant to this chapter file with the department reports containing information as to location, size, height, rate of emission or discharge, and composition of any substance discharged or emitted into the ambient air or into the waters or onto the land of the Commonwealth, and such other information as the department may require;

(24) Establish a comprehensive waste management plan in order to ensure that wastes are properly collected, stored, processed, transported, disposed, and recycled;

(25) Perform such other and further acts as may be necessary to carry out the duties and responsibilities herein described; and

(26) Preserve existing clean air resources while ensuring economic growth by issuing regulations, which shall be no more stringent than federal requirements, setting maximum allowable increases from stationary sources over baseline concentrations of air contaminants to prevent significant deterioration in areas meeting the state and national ambient air quality standards.

Section 11. KRS 350.210, Monuments marking permit areas, is repealed.

Section 12. The general assembly finds and declares that an emergency exists because of the federal requirement that state legislation necessary to comply with the provisions of Public Law 95-87, the "surface mining control and reclamation act of 1977," be a validly enacted law on or before June 15, 1980, in order that the state program filing of March 3, 1980, be deemed complete, and that the state law shall be in effect before the United States secretary of interior can approve the state program, or the state's proposed permanent program would otherwise be disapproved by the United States secretary of the interior, thereby causing the installation of a federal program in the Commonwealth and because this Act is in aid of and supplemental to that primacy legislation. Therefore, this legislation shall become a validly enacted law when signed by the governor, and the provisions of this Act shall become effective simultaneously with approval of the state program by the United States secretary of interior pursuant to Public Law 95-87, the surface mining control and reclamation act of 1977.

HB 703, AN ACT relating to solid and hazardous waste.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224.212 is amended to read as follows:

(1) It shall be the policy of the Commonwealth of Kentucky to encourage and promote the development and demonstration of efficient, environmentally acceptable and commercially feasible technologies, techniques, processes and markets for resource recovery and energy generation from solid *and hazardous* waste in Kentucky.

(2) This policy may be implemented by contracts and agreements with the federal government and its agencies and with other organizations, including private industry, and through organizations that may be formed jointly by the state, the federal government or its agencies, and private industry to conduct developmental and demonstration projects in such organizational form or legal entity deemed appropriate by the participants.

(3) This policy may be implemented by the expenditure of state funds for the preliminary engineering and planning, design, construction and operation of developmental and demonstrative projects in Kentucky, including pilot and demonstration plants, and for the acquisition and improvement of land, construction of roads, and provision of other public facilities incidental and necessary to the accomplishment of developmental and demonstrative projects in Kentucky[; provided that the expenditure of state funds for the construction and operation of projects shall be limited to projects for which funds of the federal government have also been committed by grant, loan or other contractual agreement with the Commonwealth, or one or more of its political subdivisions, or one or more corporations doing business in the Commonwealth of Kentucky].

(4) This policy may be implemented by the sale or lease of state property or property rights to organizations engaged in developmental and demonstrative projects in Kentucky, either for a fair and reasonable

consideration or solely or partly as all or a portion of the state's participation in developmental and demonstrative projects.

(5) This policy may be implemented by acquisition, by purchase, or by option to purchase and if the Commonwealth is unable to contract or agree with the owner after a good faith effort to do so, by the exercise of eminent domain the fee simple title to, or any acceptable lesser interest in such lands, rights of way, franchises, or easements, including submerged lands and riparian rights that are necessary for the construction, use or operation of any authorized demonstration project or projects and for the construction and operation of a line of railroad, truck road, overhead conveyor, or other transportation facilities together with the necessary rights of ingress and egress to construct, examine, alter, repair, maintain, operate, or remove such transportation facilities. The proceedings for condemnation shall be as provided in KRS 416.540 to 416.670.

(6) This policy may be implemented by contracts and agreements for the Commonwealth to purchase all or a portion of the usable output of developmental and demonstration projects, either for a fair and reasonable consideration or solely or partly as all or a portion of the state's participation in developmental and demonstrative projects, and to dispose of this output by use in state facilities or by resale at fair market value.

Section 2. KRS 224.216 is amended to read as follows:

To be eligible for assistance under KRS 224.212 to 224.217, projects *shall* [must]:

(1) Conform with the state *plans* [plan] for [solid] waste management;

(2) Be consistent with a regionalized approach to [solid] waste management and designate the area to be affected initially and potentially by the project;

(3) Designate specific project responsibilities at the state, district and local level;

(4) Demonstrate that private industry would not otherwise develop and demonstrate such a project in a timely fashion;

(5) Show that adequate research has preceded the application by including at least the following information:

(a) Methods for waste collection, storage, processing and residue disposal;

(b) Consideration of alternative small-scale, low-level technology;

(c) Letters of intent from potential purchasers of recovered materials and energy generated;

(d) Potential for eventual self-sufficiency in project operation.

(6) Show that there is substantial support for the proposal by including at least the following information:

(a) Steps which have been taken to guarantee the waste stream;

(b) Steps which have been taken to enact long-term contracts for sale of recovered products and energy generated, and for the supply of waste products;

(c) Sources of other committed funds;

(7) *Demonstrate that full consideration has been given to the coordination of the proposed facility with an industrial park development;*

(8) Demonstrate that the proposed project is consistent with the state policy of encouraging the reuse and treatment of waste and of minimizing land disposal. Toward this end the development of fully integrated facilities shall be the preferred approach in all cases. An integrated facility includes a variety of treatment and disposal systems at one site so that wastes can be recycled, exchanged, neutralized, detoxified, reduced in volume, incinerated and only as a last resort landfilled;

(9) Demonstrate that all other statutory requirements and regulations relating to the permitting of the proposed facility can be met;

(10) Conform to other requirements set down by regulations issued by the center for energy research.

SECTION 3. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

The commissioner of the department of commerce shall cooperate with the secretary of the department of energy in examining the feasibility of a hazardous waste treatment-industrial park complex approach to the siting of hazardous waste management facilities and the promotion of industrial development. Consistent with the state policy of encouraging reuse and treatment of hazardous waste and of minimizing land disposal such study shall be based on development of integrated facilities consisting of a variety of treatment and disposal systems at a given site associated with industrial plants. Such study shall at a minimum:

(1) Survey the attitudes of various industries towards this approach;

(2) Identify the advantages and disadvantages to industry, the Commonwealth, and local communities;

(3) Survey the degree to which the availability of hazardous waste management facilities has a bearing on the location of new industry;

(4) Develop a list of industry types with compatible waste streams for exchange, neutralization, or incineration;

(5) Identify economic or technical barriers to this approach; and

(6) Report its findings and recommendations to the 1982 General Assembly.

SECTION 4. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO READ AS FOLLOWS:

The fiscal court of any county may license off-site waste management facilities located within the county with the imposition of a license fee at a percentage rate not to exceed two percent (2%) per annum of the gross receipts of such a waste management facility owned or operated by self-employed individuals, partnerships, or corporations. The proceeds from the license fee shall be used to defray the general revenue requirements of the county where the facility is located. For purposes of assessing the licensing fee provided for in this section, off-site waste management shall consist of establishing and operating a facility whose principal purpose is treatment, storage, disposal, or a combination of these activities but shall not include those treatment, storage, or disposal activities which occur incidental to or which are not otherwise distinguishable from a broader manufacturing operation at the site of said operation.

HB 719, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 352.190 is amended to read as follows:

(1) For every fifty men and fraction thereof employed underground, the operator of each mine shall keep on hand at the mine one properly constructed stretcher, one waterproof and one woolen blanket, and all other necessary equipment advised by the department.

[(2) Each operator shall see that all employes are offered the necessary first-aid training at least once each year for the safety of themselves and their fellow workmen as recommended by the department.]

HB 752, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 352.150 is amended to read as follows:

(1) After June 16, 1972, on single-track haulage roads in mines, which the persons employed in the mine must use while performing their work or while traveling on foot to and from their work, there shall be places of refuge on one (1) side not less than five (5) feet in depth from the side of the mine car, and five (5) feet wide, and not more than ninety (90) feet apart. Refuge holes of the same dimensions shall also be provided at switch throws.

(2) Special places of refuge are not required on haulage roads on which room necks or breakthroughs occur at regular intervals not exceeding ninety (90) feet, and thus furnish places of refuge, or on haulage roads in which the track is so laid as to give a minimum clearance on one (1) side of not less than thirty (30) inches from the side of any haulage engine or any mine car, the clearance to be on the side of the road opposite that upon which electric wires are strung, if electric wires are strung in the road.

(3) No unauthorized person shall travel on foot to or from work upon any haulage road or slope where transportation is by track, when other roads in proper condition for travel are available.

(4) On all main haulage roads where hauling is done by machinery the mine foreman shall provide a proper system of signals, and a conspicuous light or marker approved by the commissioner on the front and rear of every trip or train of cars when in motion in the mine.

(5) Man-trips shall be operated at safe speeds consistent with the condition of roads and type of equipment used and shall be so controlled that they can be stopped within the limits of visibility, in no event at a speed in excess of twelve (12) miles per hour.

(6) [Each man-trip consisting of more than one (1) mine car of men shall be under the charge of a certified official, and it shall be operated independently of any loaded trip of coal or other material.

(7)] Cars on the man-trip shall not be overloaded, and sufficient cars in good mechanical condition shall be provided.

(7)[(8)] No person shall ride under the trolley wire unless suitably covered man-cars are used.

(8)[(9)] No material or tools except small hand tools shall be transported in the same car with men on any man-trip unless in a separate, enclosed compartment of the car, and all persons shall ride inside of man-trip cars, except the motorman and brakeman or trip rider.

(9)[(10)] Men shall not load or unload before the cars in which they are to ride or are riding come to a full stop, and men shall proceed in an orderly manner to and from man-trips.

(10)[(11)] A waiting station shall be provided where men are required to wait for man-trips or man-cages. It shall have sufficient room, ample clearance from moving equipment, and adequate seating facilities.

(11)[(12)] Trolley and power wires shall be guarded effectively at man-trip stations where there is a possibility of any person coming in contact with energized electric wiring while loading or unloading from the man-trip.

(12)[(13)] Cars used for transporting men on slopes shall be equipped with a safety device capable of stopping the trip in event of failure of the rope or couplings. Such device shall be approved by the commissioner.

(13)[(14)] Where belts are used for transporting men, a minimum clearance of eighteen (18) inches shall be maintained between the belt and the roof or cross bars, projecting equipment, cap pieces, overhead cables, wiring, and other objects; but where the height of the coal bed permits, the clearance shall not be less than twenty-four (24) inches.

(14)[(15)] Unless a greater speed is allowed by special permission from the commissioner, in which event the conditions, limitations and rules imposed in connection with the grant of such permission shall be observed, the belt speed shall not exceed two hundred fifty (250) feet per minute where the minimum overhead clearance is eighteen (18) inches, or three hundred (300) feet per minute when the minimum overhead clearance is twenty-four (24) inches, while men are loading, unloading, or being transported.

(15)[(16)] The space between men riding on a belt line shall not be less than six (6) feet.

(16)[(17)] Loading and unloading stations shall be illuminated properly.

(17)[(18)] A certified official or some other supervisory personnel appointed by the mine foreman shall supervise all man-trips.

(18)[(19)] Efficient equipment, either mobile or self-propelled, equipped with sufficient first-aid equipment and supplies, shall be available on all underground sections where men are present to transport injured workers to the surface.

(19)[(20)] The commissioner shall be empowered to draft additional rules and regulations providing for transportation of men when necessary.

HB 753, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 352.241 is amended to read as follows:

(1) Explosives or detonators carried anywhere underground by any person shall be in containers constructed substantially of nonconductive material, maintained in good condition and kept closed.

(2) When explosives or detonators are transported underground in cars moved by means of a locomotive or rope, or in shuttle cars, they shall be in substantial covered cars or in special substantial covered containers used specifically for transporting detonators or explosives:

(a) The bodies and covers of such cars and containers shall be constructed or lined with nonconductive material;

(b) If explosives and detonators are hauled in the same explosives car or in the same special container, they shall be separated by at least a four-inch substantially fastened hardwood partition or the equivalent;

(c) Explosives, detonators, or other explosive items shall not be transported on the same trip with men;

(d) When explosives or detonators are transported in special cars or containers in cars, they shall be hauled in special trips not connected to any other trip; provided, however, that this does not prohibit the use of such additional cars as needed to lower a rope trip, or to haul supplies including timbers; and provided further that materials so transported shall not project above the top of the car. Exposed highly flammable materials such as hay, oil, or grease shall not be hauled on the same trip with explosives;

(e) Explosives or detonators shall not be hauled into or out of a mine within five minutes preceding or following a man trip or any other trip.

(3) Explosives and detonators shall be transported underground by belt only under the following conditions:

(a) In the original and unopened case, in special closed cases constructed of nonconductive material, or in suitable individual containers;

(b) Clearance requirements shall be the same as those for transporting men on belts;

(c) Suitable loading and unloading stations shall be provided;

(d) Stop controls shall be provided at loading and unloading points, and an attendant shall supervise the loading and unloading of explosives and detonators.

(4) Neither explosives nor detonators shall be transported on flight or shaking conveyors, scrapers, mechanical loading machines, locomotives, cutting machines, drill tracks, or any self-propelled mobile equipment; provided, however, that this does not prohibit the transportation of explosives or detonators in special substantial covered containers as used in subsection (2) of this section in shuttle cars or in equipment designed especially to transport such explosives or detonators.

(5) When supplies of explosives and detonators for use in one or more sections are stored underground, they shall be kept in section boxes or magazines of substantial construction with no metal exposed on the inside, located at least twenty-five feet from roadways and power wires, and in a reasonably dry, well-rock-dusted location protected from falls of roof. In pitching beds, where it is not possible to comply with the location requirement, such boxes shall be placed in niches cut into the solid coal or rock.

(6) When explosives or detonators are stored in the section, they shall be kept preferably in separate boxes or magazines not less than five feet apart; if kept in the same box or magazine, they shall be separated by at least a four-inch substantially fastened hardwood partition or the equivalent. Not more than a forty-eight hour supply of explosives or detonators shall be stored underground *in any one section* in such boxes or magazines.

(7) Explosives and detonators stored near the working faces shall be in separate closed containers, and shall be in a location out of line of blast not less than fifty feet from the face and fifteen feet from any pipeline, powerline, rail or conveyor; except that if kept in niches in the rib, the distance from pipeline, powerline, rail or conveyor shall be at least fifteen feet. Such explosives and detonators, when stored, shall be separated by a distance of at least ten feet.

(8) Explosives and detonators shall be kept in their containers until immediately before use at the working faces.

(9) Only nonmetallic tools shall be used for opening wooden explosives containers. Tools or other materials shall not be stored with explosives or detonators.

(10) All explosives used underground in underground mines except in sinking shafts and slopes from the surface shall be of the permissible type, specifically designed and manufactured for underground use, and shall be used as follows:

(a) Fired only with electric detonators of proper strength;

(b) Fired with permissible shot-firing units, unless firing is done from the surface when all men are out of the mine;

(c) Where the coal or clay is cut, shots shall not be fired if the blast hole is drilled beyond the limits of the cut;

(d) Boreholes shall be cleaned, and they shall be checked to see that they are placed properly and are of correct depth, in relation to the cut, before being charged;

(e) All blasting charges shall have a burden of at least eighteen inches in all directions if the height of the seam permits.

(f) Boreholes shall be stemmed with at least twenty-four inches of incombustible material, or at least one-half of the length of the hole shall be stemmed if the hole is less than four feet in depth unless other permissible stemming devices or methods are used;

(g) Examinations for gas shall be made immediately before firing each shot or group of multiple shots and after blasting is completed;

(h) Shots shall not be fired in any place where methane can be detected with a flame safety lamp when tested at a point not less than twelve inches from the roof, face or rib;

(i) Charges exceeding one and one-half pounds, but not exceeding three pounds, shall be used only if boreholes are six feet or more in depth, the explosives are charged in a continuous train, with no cartridges deliberately deformed or crushed, with all cartridges in contact with each other and with the end cartridges touching the back of the hole and the stemming respectively; provided, however, that the three pound limit does not apply to special solid rock work if the mine is evacuated or if approved by the department;

(j) Shots shall be charged and fired by *certified* [qualified] shot firers designated by the mine foreman;

(k) Boreholes shall not be charged while any other work is being done at the face, and the shot or shots shall be fired before any other work is done in the zone of danger from blasting except that which is necessary to safeguard the employes;

(l) Only nonmetallic tamping bars shall be used for charging and tamping boreholes. This does not prohibit the use of a nonmetallic tamping bar with a nonsparking metallic scraper on one end;

(m) The leg wires of electric detonators shall be kept shunted until ready to connect to the firing cable;

(n) Shots shall not be fired from the power of signal circuit while any men are in the mine;

(o) The roof and ribs of working places shall be tested before and after firing each shot or group of multiple shots;

(p) Ample warning shall be given before shots are fired, and care shall be taken to ascertain that all persons are in the clear. Men shall be removed from adjoining working places when there is danger of a shot blowing through;

(q) Mixed types or brands of explosives shall not be charged or fired in any borehole;

(r) Mudcaps (adobes) or other unconfined shots shall not be fired underground in a mine.

(11) Blasting cables shall be:

(a) Well insulated and as long as may be necessary to permit the shot firer to get in a safe place around a corner;

(b) Short-circuited at the battery end until ready to attach to the blasting unit;

(c) Staggered as to length or the ends kept well separated when attached to the detonator leg wires;

(d) Kept clear of power wires and all other possible sources of active or stray electric current.

(12) Where misfires occur with electric detonators, a waiting period of at least five minutes shall elapse before anyone returns to the shot. After such failure, the blasting cable shall be disconnected from the source of power and the battery ends short-circuited before electric connections are examined.

(13) Explosives shall be removed by firing a separate charge at least two feet away from, and parallel to, the misfired charge or by washing the stemming and the charge from the borehole with water, or by inserting and firing a new primer after the stemming has been washed out.

(14) A very careful search of the working place, and, if necessary, of the blasted material after it reaches the surface shall be made after blasting a misfired hole, to recover any undetonated explosive.

(15) The handling of a misfired shot shall be under the direct supervision of the mine foreman or a competent person designated by him.

(16) Where compressed air is used for blasting or breaking coal or clay, the following shall apply:

(a) Compressed air shall be conducted from the compressor to within a practical working distance of the face by steel airlines tested to withstand an approximate pressure of twenty thousand pounds per square inch;

(b) Airlines shall be grounded at the compressor and, if possible, at other low-resistance ground connections along the lines, such as at borehole casings. They shall not be connected in any way to tracks, waterlines, or other electric power return conductors and shall be suitably insulated where they cross electric wires or underneath the track;

(c) Shutoff valves shall be installed every one thousand (1,000) feet in all compressed-air blasting lines and in all branch lines at a point near the main lines;

(d) Compressed-air blasting lines shall be protected at places where equipment passes over, under, or adjacent to them;

(e) Steel, copper, or other lines shall not be handled or repaired when air pressure is in the line;

(f) Airlines shall be examined periodically for kinks or other weaknesses and replaced immediately when defects are found;

(g) Copper tubing shall be coiled and uncoiled properly. The part of the tubing that is affected by frequent coiling and uncoiling shall be renewed periodically because of the dangers from kinks and crystallization;

(h) Blowdown valves shall not be less than forty-five feet from the face and shall be around a right angle;

(i) Holes for compressed-air tubes shall be within the limits of the cut;

(j) When blowdown valves are opened to discharge the tube, they shall remain open until time to place the tube in the next borehole except where shear-strip or shear-pin tubes are used;

(k) After breaking down the coal or clay in any one place, the tube shall be disconnected at once from the airline and not reconnected until ready to be used in the next place;

(l) When a differential-pressure-type tube fails to discharge, the line leading to the tube shall be disconnected at the blowdown valve, and the tube shall be dragged by means of the line to an inactive place, marked with warning signs, and left one hour before any repair work is done thereon;

(m) All persons shall be removed from adjoining working places where there is danger of breaking through and shall be at a safe distance around a right angle while coal or clay breaking is in progress.

HB 754, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 351.109 is amended to read as follows:

(1) An individual is a qualified *and* [or] certified person, within the meaning of this chapter, to perform electrical work, other than work on energized surface, high voltage lines, if:

(a) He has been qualified *and* [or] certified as a coal mine electrician by the department; or

(b) He has at least one (1) year of experience in performing electrical work underground in a coal mine, in the surface work areas of an underground coal mine, in a surface coal mine, in a non-coal mine, in the mine equipment manufacturing industry, or in any other industry using or manufacturing similar equipment, and has satisfactorily completed the coal mine electrical training program administered or approved by the department; or

(c) He has at least one (1) year of experience in performing electrical work underground in a coal mine, in the surface work areas of an underground coal mine, in a surface coal mine, in a non-coal mine, in the mine equipment manufacturing industry, or in any other industry using or manufacturing similar equipment, and he attains a satisfactory grade on each of the series of five (5) written tests administered by the department and required in subsection (2) of this section.

(2) The series of five (5) written tests shall include the following categories:

(a) Direct current theory and application;

(b) Alternating current theory and application;

(c) Electric equipment and circuits;

(d) Permissibility of electric equipment; and

(e) Requirements of both federal and state laws.

(3) A score of at least eighty (80) percent on each of the five (5) written tests will be deemed to be a satisfactory grade. Recognition shall be given to practical experience in that one (1) percentage point shall be added to an individual's score in each test for each additional year of experience beyond the one (1) year minimum requirement specified in subsection (1)(c) of this section; however, in no case shall an individual be given more than five (5) percentage points for such practical experience.

(4) An individual may, within thirty (30) days from the date on which he received notification from the department of his test scores, repeat those on which he received an unsatisfactory score. If further retesting is necessary after this initial repetition, a minimum of thirty (30) days from the date of receipt of notification of the initial retest scores shall elapse prior to such further retesting.

(5) An individual qualified *and* [or] certified in accordance with this section shall, in order to retain qualification *and* [or] certification, satisfactorily complete a retraining program annually.

HB 852, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 352.260 is amended to read as follows:

(1) Any operator of a mine shall designate only *certified* [practical and experienced] persons as shotfirers to prepare the cartridge and set off and discharge the shots.

(2) Shotfirers shall at all times be under the direction of the mine foreman.

(3) The mine inspector may prescribe the conditions under which solid blasting may be done in any mine.

HB 853, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 351.105 is amended to read as follows:

(1) There is hereby created the board of miner training, education and certification.

(2) The board shall be made up of six (6) persons, two (2) of whom shall be from the underground coal industry in the eastern Kentucky coalfield and two (2) of whom shall be from the underground coal industry in the western Kentucky coalfield. Each of the two (2) coalfields shall be represented by one (1) person representing the miners and one (1) person representing the mine operators. The governor in making his appointments shall balance the membership of the board so as to reflect as nearly as possible the composition of the industry as regards the size of operations and the representation of the miners. The commissioner of the department shall serve as chairman. The sixth member of the board shall be the director of the division of miner training, education and certification of the department, who shall be a nonvoting member. The board shall recommend to the governor a candidate for the position of director of the division.

(3) Members of the board shall be appointed by the governor within three (3) months of December 22, 1976.

(4) Excluding the commissioner and the director of the division of miner training, education and certification, one (1) member of the board shall be appointed initially for a period of one (1) year; one (1) member for a period of two (2) years; one (1) member for a period of three (3) years; and one (1) member for a period of four (4) years. After the initial appointments, members shall be appointed to a full four (4)-year term. Members of the board may be reappointed at the expiration of their previous appointment at the pleasure of the governor. Members shall continue to serve until a successor is appointed and qualified.

(5) As soon as practicable after the members of the board have been appointed, the commissioner shall call an organizational meeting to implement the provisions of this section.

(6) Persons appointed to the board to represent the miners shall be employed in non-supervisory positions at mines in this state and shall have a minimum of five (5) years' underground experience in the industry and a mine foreman's certificate. Persons representing the mine operators shall be employed by coal companies operating in the state and shall have a minimum of five (5) years' experience in safety or training in the coal mining industry and a mine foreman's certificate. The director shall have a minimum of five (5) years' practical underground mining experience.

(7) Whenever a vacancy on the board occurs, appointments shall be made in the manner prescribed in this section. The vacancy shall be filled by the governor within thirty (30) days from the date the vacancy occurs.

(8) A quorum of the board shall be three (3) voting members; the board may act officially by a majority of those members who are present except that no action shall be taken without at least three (3) affirmative votes. When necessary for the commissioner to be absent, he is empowered to name an alternate to serve as chairman.

(9) Each miner-member and operator-member of the board shall receive one hundred dollars ($100) per diem while actually engaged in the performance of the work of the board and shall receive mileage at the rate provided by the state's travel regulation for each mile actually traveled from the home of the member to the place of the meeting and returning therefrom, which shall be paid out of the state treasury upon proper requisition approved by the commissioner.

(10) The commissioner shall keep and maintain records of board meetings and activities of the board, as well as current records on all certified persons which shall be maintained by computer for ready access.

(11) The board shall establish criteria and standards for a program of education and training to be required of prospective miners of underground coal mines, miners of underground coal mines, and of all certified persons. Such education and training shall be provided in a manner determined by the commissioner to be adequate to meet the standards established by the board, which shall include as a minimum the requirements of KRS 351.102, the requirements of the federal government for the training of miners for new work assignments, but in no case less than twenty (20) hours training for new work assignments, and at least eight (8) hours of annual retraining and reeducation for all certified persons.

(12) Beginning with the first full calendar year after the effective date established by the board in accordance with KRS 351.104 and during each calendar year thereafter, each certified miner shall receive at least eight (8) hours of retraining and reeducation.

(13) Each underground coal mine operator shall annually certify to the department the dates on which the annual retraining and reeducation sessions were conducted and the names and corresponding *miner identification* [social security] numbers of those persons receiving the retraining and reeducation *in the form prescribed by the commissioner.*

(14) Retraining and reeducation sessions shall be conducted at such times and in such numbers as to reasonably assure each certified miner an opportunity to attend.

(15) Willful failure of a certified miner to complete an annual retraining and reeducation program approved by the board shall constitute grounds for revocation, suspension, or probation of the certificate.

(16) Operators shall pay all certified persons their regular wages and benefits while receiving the annual retraining and reeducation and the training for new work assignments.

(17) Prior to issuing standards, the board shall conduct public hearings after allowing at least thirty (30) days' public notice at which the parties who may be affected by the board's actions may be heard.

(18) The board may conduct hearings, compel the attendance of witnesses and conduct oversight activities as may be required to ensure the full implementation of its programs and standards.

(19) The board may, upon its own motion or whenever requested to do so by the commissioner, deem applicable certificates issued by other states to be proof of training and education equal to the requirements of KRS 351.102 or deem training provided by appropriate federal agencies to be adequate to meet training and education requirements set by the board, provided that the training and education meet the minimum requirements of this chapter.

HCR 87, A CONCURRENT RESOLUTION directing the formation of a special coal utilization task force to propose policy for the development of coal resources in the Commonwealth and recommend legislation concerning coal for the 1982 General Assembly.

WHEREAS, the nation continues to face a serious energy crisis, and a dangerous dependence on other countries which supply us with oil; and

WHEREAS, this crisis and this dependence need not continue if we take steps now to develop and utilize our abundant domestic energy resources; and

WHEREAS, Kentucky's coal is a tremendous asset to the state and the nation, which as yet, has not been developed to its full potential; and

WHEREAS, stockpiles of coal continue to mount and coal mines are closing at a time when this nation should be relying more on its own energy resources;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission is directed to appoint a Special Coal Utilization Task Force. Two (2) members shall be appointed from the Senate and two (2) members from the House of Representatives to serve on the task force. In addition the Legislative Research Commission shall appoint task force members recognized as experts on coal issues, but in no case shall total membership exceed nine (9) members. The task force shall choose a chairperson and vice-chairperson from the legislators serving on the committee. The task force shall meet at least quarterly and more often on the call of the chairperson. The lay members of the task force shall be reimbursed for ordinary travel expenses, including meals and lodging, incurred in the performance of his duties, but no lay member shall receive compensation for his services as a member of the task force.

Section 2. The task force shall propose policy and recommend legislation for the development of coal resources in the Commonwealth. Policy areas to be considered by the task force shall include, but not necessarily be limited to, the following:

(1) The conversion of oil and gas fired boilers to coal by Kentucky industry and by Kentucky government; and

(2) The short and long range problems of transporting coal in the Commonwealth; and

(3) The conversion of coal to liquid fuels and the development potential of this process for the state during the next five (5) to ten (10) years.

Section 3. The task force shall make available to the General Assembly and the Legislative Research Commission its findings and any recommendations not later than September, 1981.

Section 4. It is estimated that the operation of the committee and the provision of staff services will cost approximately $25,000, such monies to be provided from the regular budget of the Legislative Research Commission.

The Committee on Business Organizations and Professions reported **HB 414** with Committee Substitute attached thereto, and **HB 936** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 414, AN ACT relating to professional engineers and land surveyors, and architects.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 322.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the State Board of Registration for Professional Engineers and Land Surveyors.

(2) "ECPD" means Engineer's Council for Professional Development.

(3) "Engineer" means a person who is qualified by reason of his knowledge of mathematics, the physical sciences and the principles of engineering, acquired by professional education and practical experience, to engage in the practice of professional engineering.

(4) "Engineering" includes any service or creative work, the adequate performance of which requires engineering education, training, and experience in the application of special knowledge of the mathematical, physical, and engineering sciences to such services or creative work as consultation, investigation, evaluation, planning and design of engineering works and systems, planning the use of land and waters, and the review of construction for the purpose of assuring compliance with drawings and specifications; any of which embraces such service or work either public or private, in connection with any utilities, structures, *certain*

buildings, *building systems*, machines, equipment, processes, work systems or projects with which the public welfare or the safeguarding of life, health or property is concerned, when such professional service requires the application of engineering principles and data. It does not include the work ordinarily performed by persons who operate or maintain machinery or equipment, such as locomotive, stationary, marine or power plant operators, nor work embraced within the practice of land surveying.

(5) "Practice of engineering" includes all professional services included in subsection (4), together with the negotiation or solicitation for engineering work on any project in this state, regardless of whether the persons engaged in that practice are residents of this state or have their principal office or place of business in this state or any other state or country, and regardless of whether they are performing one or all of these duties, or whether they are performing them in person or as the directing heads of offices or organizations.

(6) "Land surveying" means and includes any services requiring the determination of the location of land boundaries and land boundary corners and incidental topography; the preparation of maps showing the shape and area of tracts of land and their subdivision into smaller tracts; the preparation of maps showing the layout of roads, streets and rights-of-way; and the preparation of official maps or plats of land within this state.

(7) "Land surveyor" means and includes any person engaged in the practice of land surveying as herein defined, and shall include any public offer, or the holding out by any person to the public, to engage in the practice of land surveying.

(8) "Practice of land surveying" or "offer to practice" shall include performance of any act or acts directly related to land surveying, or any claim, oral or written, sign, letterhead, professional card, or other representation, on the part of any person representing himself to be a land surveyor or who holds himself out to the general public as possessing the ability and qualifications to perform land surveying within the terms of KRS 322.010, 322.200, 322.230 to 322.250, 322.420 to 322.460.

Section 2. KRS 322.030 is amended to read as follows:

KRS 322.020 shall not apply to:

(1) The engaging in engineering as a pupil of or under the direction of a licensed engineer, if such practice does not include responsible charge of design or supervision as a principal;

(2) The practice of officers and employes of the United States government while engaged in engineering for the government;

(3) The practice of engineering by a person on property leased or owned by the person unless the practice involves the public safety or public health; or to the performance of engineering that relates solely to the design or fabrication of manufactured products;

(4) An engineer engaged solely as an officer or employe of a privately owned public utility or of a corporation engaged in interstate commerce as defined in the interstate commerce act (24 Stat. 379) as amended;

(5) The practice of any elective officer of this state or any political subdivision of this state while carrying out the duties of the office to which he was elected[; or

(6) A licensed architect who engages in engineering practice as an incident to the practice of his own profession].

SECTION 3. A NEW SECTION OF KRS CHAPTER 322 IS CREATED TO READ AS FOLLOWS:

If the drawings and specifications are signed by the authors thereof with the true titles of their occupations as may be required by law, the following buildings and additions to buildings, classified by use group, shall require the services of a professional engineer or architect registered in the Commonwealth of Kentucky:

(1) Factory and industrial use group having a capacity of one hundred (100) persons or more;

(2) High hazard use group, regardless of capacity;

(3) Storage use group having a capacity of one hundred (100) persons or more.

Section 4. KRS 323.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the state board of examiners and registration of architects of Kentucky;

(2) An "architect" is *any person who engages in the practice of architecture as hereinafter defined* [a natural person proficient in the art of planning, designing, specifying, supervising and administering the construction of buildings and who is licensed to practice architecture];

(3) The "practice of architecture" *is the rendering or offering to render certain services, hereinafter described, in connection with the design and construction of a structure or group of structures which have as their principal purpose human habitation or use, and the utilization of space within and surrounding such structures. The services referred to in the previous sentence include planning, providing preliminary studies, designs, drawings and specifications, and administration of construction contracts* [consists of performing or offering to perform any professional service involving consultations, planning, designing, specifying, responsible supervision or administration of the construction of any building or additions or alterations thereto];

(4) A "building" is a structure *which has as its principal purpose human habitation or use;* [erected as a shelter for human beings, their activities and possessions.]

(5) "Use group" is the classification of a building or structure based on the purpose for which it is used, as set forth in the Kentucky Building Code;

(6) "Consultant" is an individual, partnership, or firm acting subordinately and in a position of service to an architect engaged in the practice of architecture as defined.

SECTION 5. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

(1) Except as otherwise provided hereinafter, the following buildings, or additions to existing buildings, classified by use group shall require the services of an architect licensed in the Commonwealth of Kentucky.

(a) Assembly use group having a capacity of fifty (50) persons or more;
(b) Business use group having a capacity of one hundred (100) persons or more;
(c) Institutional use group, regardless of capacity;
(d) Mercantile use group having a capacity of one hundred (100) persons or more;
(e) Residential use group of more than twelve (12) dwelling units or having a capacity of fifty (50) persons or more;
(f) Mixed use group containing one (1) or more of the use group classifications and capacities listed under paragraph (a) through (e) of this subsection.

(2) Alterations requiring compliance with the Kentucky Building Code to any existing building containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require the services of an architect licensed in the Commonwealth of Kentucky; except that, when such alterations predominantly involve primary structural components or mechanical or electrical systems, services may be performed by one (1) or more licensed professional engineers.

(3) Buildings, or additions to existing buildings, containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require, in addition to the services of an architect, the services of one (1) or more licensed engineers responsible for the design of structural, mechanical, and electrical systems.

(4) The following buildings and additions to existing buildings, classified by use group, shall require the services of either an architect or a professional engineer registered in the Commonwealth of Kentucky.

(a) Factory and industrial use group having a capacity of one hundred (100) persons or more;
(b) High hazard use group, regardless of capacity;
(c) Storage use group having a capacity of one hundred (100) persons or more.

SECTION 6. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

(1) If the drawings and specifications are signed by the author is thereof with the true titles of their occupations as may be required by law, this chapter does not apply to:

(a) Any building which is to be used for farm purposes only;
(b) Any building classified by use group other than those listed under this Act;
(c) Any structure not classified as a building by KRS 323.010(4).

(2) Provisions of this chapter shall not apply to:

(a) Any individual, partnership, or firm acting solely as a consultant to an architect licensed in the Commonwealth;
(b) An architect or other person acting solely as as officer or employe of the United States government.

Section 7. The following KRS sections are repealed:
322.370 Incidental architectural practice permitted.
323.030 Persons and buildings to which chapter does not apply.

The Committee Substitute to **HB 414** is as follows:

Committee Substitute for **HB 414,** AN ACT relating to professional engineers and land surveyors, and architects.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 322.010 is amended to read as follows:
As used in this chapter, unless the context requires otherwise:
(1) "Board" means the State Board of Registration for Professional Engineers and Land Surveyors.

(2) "ECPD" means Engineer's Council for Professional Development.

(3) "Engineer" means a person who is qualified by reason of his knowledge of mathematics, the physical sciences and the principles of engineering, acquired by professional education and practical experience, to engage in the practice of professional engineering.

(4) "Engineering" includes any service or creative work, the adequate performance of which requires engineering education, training, and experience in the application of special knowledge of the mathematical, physical, and engineering sciences to such services or creative work as consultation, investigation, evaluation, planning and design of engineering works and systems, planning the use of land and waters, and the review of construction for the purpose of assuring compliance with drawings and specifications; any of which embraces such service or work either public or private, in connection with any utilities, structures, *certain* buildings, *building systems,* machines, equipment, processes, work systems or projects with which the public welfare or the safeguarding of life, health or property is concerned, when such professional service requires the application of engineering principles and data. It does not include the work ordinarily performed by persons who operate or maintain machinery or equipment, such as locomotive, stationary, marine or power plant operators, nor work embraced within the practice of land surveying.

(5) "Practice of engineering" includes all professional services included in subsection (4), together with the negotiation or solicitation for engineering work on any project in this state, regardless of whether the persons engaged in that practice are residents of this state or have their principal office or place of business in this state or any other state or country, and regardless of whether they are performing one or all of these duties, or whether they are performing them in person or as the directing heads of offices or organizations.

(6) "Land surveying" means and includes any services requiring the determination of the location of land boundaries and land boundary corners and incidental topography; the preparation of maps showing the shape and area of tracts of land and their subdivision into smaller tracts; the preparation of maps showing the layout of roads, streets and rights-of-way; and the preparation of official maps or plats of land within this state.

(7) "Land surveyor" means and includes any person engaged in the practice of land surveying as herein defined, and shall include any public offer, or the holding out by any person to the public, to engage in the practice of land surveying.

(8) "Practice of land surveying" or "offer to practice" shall include performance of any act or acts directly related to land surveying, or any claim, oral or written, sign, letterhead, professional card, or other representation, on the part of any person representing himself to be a land surveyor or who holds himself out to the general public as possessing the ability and qualifications to perform land surveying within the terms of KRS 322.010, 322.200, 322.230 to 322.250, 322.420 to 322.460.

SECTION 2. A NEW SECTION OF KRS CHAPTER 322 IS CREATED TO READ AS FOLLOWS:

If the drawings and specifications are signed by the authors thereof with the true titles of their occupations as may be required by law, the following buildings and additions to buildings, classified by use group, shall require the services of a professional engineer or architect registered in the Commonwealth of Kentucky:

(1) Factory and industrial use group having a capacity of one hundred (100) persons or more;

(2) High hazard use group, regardless of capacity;

(3) Storage use group having a capacity of one hundred (100) persons or more.

Section 3. KRS 323.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the state board of examiners and registration of architects of Kentucky;

(2) An "architect" is *any person who engages in the practice of architecture as hereinafter defined* [a natural person proficient in the art of planning, designing, specifying, supervising and administering the construction of buildings and who is licensed to practice architecture];

(3) The "practice of architecture" *is the rendering or offering to render certain services, hereinafter described, in connection with the design and construction of a structure or group of structures which have as their principal purpose human habitation or use, and the utilization of space within and surrounding such structures. The services referred to in the previous sentence include planning, providing preliminary studies, designs, drawings and specifications, and administration of construction contracts* [consists of performing or offering to perform any professional service involving consultations, planning, designing, specifying, responsible supervision or administration of the construction of any building or additions or alterations thereto];

(4) A "building" is a structure *which has as its principal purpose human habitation or use;* [erected as a shelter for human beings, their activities and possessions.]

(5) "Use group" is the classification of a building or structure based on the purpose for which it is used, as set forth in the Kentucky Building Code;

(6) "Consultant" is an individual, partnership, or firm acting subordinately and in a position of service to an architect engaged in the practice of architecture as defined.

SECTION 4. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

(1) Except as otherwise provided hereinafter, the following buildings, or additions to existing buildings, classified by use group shall require the services of an architect licensed in the Commonwealth of Kentucky.

(a) Assembly use group having a capacity of one hundred (100) persons or more;

(b) Business use group having a capacity of one hundred (100) persons or more;

(c) Institutional use group, regardless of capacity;

(d) Mercantile use group having a capacity of one hundred (100) persons or more;

(e) Residential use group of more than twelve (12) dwelling units or having a capacity of fifty (50) persons or more;

(f) Mixed use group containing one (1) or more of the use group classifications and capacities listed under paragraph (a) through (e) of this subsection.

(2) Alterations or new construction requiring compliance with the Kentucky Building Code for any building containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require the services of an architect licensed in the Commonwealth of Kentucky; except that, when such alterations or new construction predominantly involve primarily structural components or mechanical or electrical systems, services may be performed by one (1) or more licensed professional engineers.

(3) Buildings, or additions to existing buildings, containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require, in addition to the services of an architect, the services of one (1) or more licensed engineers.

(4) The following buildings and additions to existing buildings, classified by use group, shall require the services of either an architect or a professional engineer registered in the Commonwealth of Kentucky.

(a) Factory and industrial use group having a capacity of one hundred (100) persons or more;

(b) High hazard use group, regardless of capacity;

(c) Storage use group having a capacity of one hundred (100) persons or more.

SECTION 5. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

(1) If the drawings and specifications are signed by the author is thereof with the true titles of their occupations as may be required by law, this chapter does not apply to:

(a) Any building which is to be used for farm purposes only;

(b) Any building classified by use group other than those listed under this Act;

(c) Any structure not classified as a building by KRS 323.010(4).

(2) Provisions of this chapter shall not apply to:

(a) Any individual, partnership, or firm acting solely as a consultant to an architect licensed in the Commonwealth;

(b) An architect or other person acting solely as as officer or employe of the United States government.

Section 6. (1) There is created a task force of nine (9) members to study and resolve the question of whether and to what extent engineers shall be permitted to design buildings and structures.

(2) The task force shall consist of the following members appointed by August 1, 1980: two (2) members of the board of examiners and registration of architects appointed by the board, one (1) licensed architect appointed by the Kentucky society of architects, two (2) members of the board of registration for professional engineers and land surveyors appointed by the board, one (1) registered professional engineer appointed by the Kentucky society of professional engineers, the secretary of public protection and regulation or his designee, the commissioner of the department of housing, buildings, and construction and the state fire marshal.

(3) The secretary of public protection and regulation or his designee shall serve as chairman and meetings shall be held at the discretion of the chairman.

(4) The respective professional boards involved may contribute funds from their trust and agency accounts to compensate outside consultants which may be brought in to advise the task force, or for such other legitimate purposes as the task force may decide.

(5) The task force shall present its findings and recommendations to the interim joint committee on business organizations and professions no later than July 1, 1981.

Section 7. The provisions of Section 6 of this Act shall be repealed effective July 1, 1982.

HB 936, AN ACT relating to cosmetologists.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 317A.030 is amended to read as follows:

(1) There is created an independent agency of the state government to be known as the Kentucky board of hairdressers and cosmetologists, hereinafter referred to as the "cosmetologist board", which shall have complete supervision over the administration of the provisions of this chapter relating to cosmetology, cosmetologists, schools of cosmetology, students enrolled in cosmetology, apprentice cosmetologists, manicurists, teachers of cosmetology, and cosmetology salons;

(2) The cosmetology board shall be composed of five (5) members appointed by the governor:

(a) Four (4) of the members shall have been cosmetologists five (5) years prior to their appointment and residents of Kentucky;

(b) Two (2) of whom shall be cosmetology salon owners;

(c) One (1) of whom shall be a cosmetology teacher in public education and shall not own any interest in a cosmetology salon;

(d) One (1) of whom shall be *an owner of a licensed cosmetology school and* a member of a nationally recognized association of hairdressers and cosmetologists;

(e) One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated[; and

(f) None of whom nor the administrator shall be financially interested in, or have any financial connection with any cosmetology school, wholesale cosmetic supply or equipment business, nor shall any member of the board teach cosmetology or manicuring for monetary consideration].

At all times in the filling of vacancies of membership on the board this balance of representation shall be maintained.

(3) Upon expiration of a term of any member, the appointment shall be for a term of two (2) years;

(4) The governor shall not remove any member of the board except for cause;

(5) The board shall elect from its members one (1) to serve as chairman, one (1) as vice-chairman, and a third to serve as secretary;

(6) Three (3) members shall constitute a quorum for the transaction of any business of the board;

(7) Each member of the board shall receive a compensation of fifty dollars ($50) per day for each day of attendance at meetings of the board, and shall be reimbursed for necessary traveling expenses;

(8) The board shall hold such meetings at such place in the state and at such times as are deemed necessary by the board to discharge its duties.

The Committee Amendment to **HB 936** is as follows:

Amend printed copy of **HB 936,** page 2, line 6, by deleting the bracket after the word "regulated".

On page 2, line 9, by placing a bracket before the word "only" and a bracket after the word "school,";

On page 2, line 10, by adding the letters "*es*" to the word "business".

On page 2, line 10, by placing a bracket before the word ", nor".

The Committee on Elections and Constitutional Amendments reported **SB 125** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 125, AN ACT proposing to amend Section 226 of the Constitution of Kentucky relating to lotteries and gift enterprises.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It is proposed that Section 226 of the Constitution of Kentucky be amended to read as follows:

The General Assembly shall be empowered to establish an annual state lottery on the Kentucky Derby operated by or on behalf of the Commonwealth of Kentucky, the net proceeds thereof to be allocated first to provide a one-time bonus to eligible Viet Nam war veterans and subsequently to be allocated in the following manner: fifty percent (50%) to education, twenty-five percent (25%) to the transportation fund, and twenty-five percent (25%) to be divided among all the city and county governments, proportionate to the population of each, to be expended at their discretion. All other lotteries and gift enterprises are forbidden, and no privileges shall be granted for such purposes, and none shall be exercised, and no schemes for similar purposes shall be allowed. The General Assembly shall enforce this section by proper penalties. All lottery privileges or charters heretofore granted are revoked. *Notwithstanding contrary provisions of this section, there is to be no prohibition against bingo and similar lotteries which are operated solely by charitable organizations using only members of the organization as operative personnel. The proceeds of such lotteries shall go solely to the charitable organization and are not to be used for salaries, profits, or debts before being allocated to the charitable organization.*

Section 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415.

The Committee on Judiciary reported **HB 507,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 507, AN ACT relating to court facilities and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 26A.090 is amended to read as follows:

As used in KRS 26A.090 to 26A.115 unless the context otherwise requires:

(1) "Operating costs allowance" means compensation equivalent to the annual expenses borne by the unit of government for utilities, janitorial service, rent, insurance and necessary maintenance, repair and upkeep of the court facility which do not increase the permanent value or expected life of the court facility, but keeps it in efficient operating condition, *and, at the election of the administrative office of the courts, capital costs of not more than fifteen thousand dollars ($15,000).*

(2) "Use allowance" means compensation equal to four percentum (4%) annually of the total original capital costs and the cost of capitalized renovation of the court facility *but in no instance less than one dollar ($1) per net square foot of space occupied by the court of justice.*

(3) *"Value of money allowance" means:*

(a) In the case of capital costs incurred prior to July 15, 1980, annual compensation equal to seven percentum (7%) per annum of such capital costs less one percentum (1%) for each year or partial year elapsing since construction. The percentum shall continue to decline by one percentum (1%) each year except that the aggregate decrease shall not in combination with the four percentum (4%) use allowance, reduce the percent applied to such capital costs to a figure less than the rate of interest on any bonded indebtedness incurred in connection with such capital costs. At such time as the bonded indebtedness is retired the value of money allowance shall cease.

(b) In the case of capital costs incurred after July 15, 1980, annual compensation equal to the interest rate paid in conjunction with bonded indebtedness incurred with respect to such capital costs, or in absence of bonded indebtedness the prevailing interest rate, applied to the portion of such capital costs which has not been reimbursed by the use allowance, resulting in the reduction of capital costs to which the interest rate or prevailing interest rate is applied by four percentum (4%) per annum.

(4) "Capital costs" means the costs borne by the unit of government, *including* [excluding] grants, for acquisition of property and for construction and capitalized renovation including interest accruing during construction or renovation, but no other interest of each court facility. If capital costs are not documented, reasonable estimates provided by qualified appraisers will suffice.

(5)[(4)] "Capitalized renovation" means all remodeling involving the structural or mechanical systems, except for remodeling that involves substantial demolition of the original structure. Remodeling involving substantial demolition of the original structure shall constitute construction resulting in a new court facility.

(6)[(5)] "Unit of government" means *any agency of state government or* a county, city, urban-county government, special district or corporate entity created for the purpose of constructing or holding title to a court facility.

(7)[(6)] "Court facility" means the land and buildings owned or operated by a unit of government in which space for the court of justice is provided. Judges' benches, jury and witness boxes, and fixed seating shall be considered as permanent building fixtures.

(8)[(7)] "Court facilities standards committee" means a committee consisting of the chief justice or his designee, one judge each of the court of appeals, the circuit court and the district court appointed by the supreme court, the president of the circuit clerks' association, the chairman of the judiciary-courts committees of the general assembly, the secretary of the executive department for finance and administration, and a county judge/executive appointed by the governor. Each appointed member shall serve for a term of

four (4) years from the date of his appointment or until he vacates the office in respect to which he was appointed, whichever is earlier.

(9) "Prevailing interest rate" means the average rate of interest on municipal or tax exempt bonds indicated by the national bond buyers index as of July 1 in the year in which construction is completed as determined by the administrative office of the courts.

(10) "Direct costs" means any cost which is attributable exclusively to an identifiable portion or portions of net space occupied by the court of justice or the unit of government.

(11) "Indirect costs" means any cost which is not attributable exclusively to an identifiable portion or portions of the net space occupied by the court of justice or the unit of government.

Section 2. KRS 26A.100 is amended to read as follows:

(1) The circuit and the district court shall be held in the county courthouse of each county unless otherwise ordered by the supreme court in which case it may be held at any other location made available by the county and owned, leased, or controlled by the county. Circuit or district court may also be held in such other locations in the county as may be convenient and approved by the supreme court.

(2) Every county or urban-county government shall provide such reasonably available space which would not disrupt the operation of county government as necessary in the county courthouse, or in other county facilities as permitted in subsection (1), for:

(a) A courtroom or courtrooms for the circuit and the district court;

(b) Chambers for the circuit judge and district judge or judges;

(c) Office space for the circuit and district court staffs;

(d) Office and storage space for the circuit clerk's operations;

(e) Jury facilities for the circuit and the district court;

(f) Office space for other officers of the court of justice including pretrial release officers, court reporters, court administrators, judges' secretaries, friends of the court and commissioners; and

(g) Such other facilities necessary for the operation of the circuit and the district court as may be agreed upon by the county or urban-county government and the administrative office of the courts.

(3) If all necessary facilities for the holding of circuit or district court, for the clerk's operations, or for the operation of the court or its ancillary functions, are not available in county facilities, every city shall, upon request of the administrative office of the courts, provide such reasonably available space which would not disrupt the operation of city government as necessary in the city's facilities for the operations of circuit or district court, or both. The city shall be responsible for providing space for the operations listed in subsection (2) of this section.

(4) If all necessary facilities for the holding of circuit or district court, for the clerk's operations, or for the operation of the court or its ancillary functions, are not available in county or city facilities, every agency of state government, special district, and independent agency of local government, other than a city, may, upon the request of the administrative office of the courts, provide such space as necessary in facilities owned, leased, or controlled by such organization for the operations of circuit or district court, or both. The agency may provide space for the operations listed in subsection (2) of this section.

(5) If all necessary facilities for the holding of circuit or district court, for the clerk's operations, or for the operation of the court or its ancillary functions, are not available in public facilities, private facilities may be rented, leased, purchased, or otherwise acquired, by the *administrative office of the courts* [executive department for finance and administration] pursuant to permission granted by the chief justice for such acquisition and in compliance with the *procedures* [provisions] of KRS Chapters 45 and 56.

(6) Notwithstanding the provisions of subsection (2), space provided in public facilities in respect to which a value of money allowance has been paid for two (2) years or longer by the court of justice in accordance with KRS 26A.115, shall not be reoccupied by the unit of government unless space which is in all respects comparable and agreeable to the court of justice is provided in its place.

Section 3. KRS 26A.107 is amended to read as follows:

(1) The court facilities standards committee shall provide for periodic review of each court facility and may make recommendations for improvements.

(2) No use allowance *or value of money allowance* shall be paid respecting any capital costs contracted for any court facility after July 1, 1978, unless the construction or renovation receives prior concurrence by the court facilities standards committee.

Section 4. KRS 26A.115 is amended to read as follows:

(1) Each unit of government providing space in a court facility to the court of justice under the provisions of KRS 26A.100 shall be paid an operating costs allowance, [plus] a use allowance, *and if applicable a value of money allowance* to be administered by the *administrative office of the courts* [executive department for finance and administration]. *No value of money allowance shall be paid in respect to capital costs derived from grants and other funds for which no repayment is required and which have not been locally generated.*

(2) The precise amount paid *as the* [for] operating costs allowance, [and] use allowance *and value of money allowance* shall be computed by allocating to the court of justice *the direct operating and capital*

costs respecting the net space which it occupies and allotting indirect operating and capital costs to the court of justice [its proportionate share of each category] according to the relative portion of the floor space in the facility which is occupied by the court of justice. Compensation shall be calculated on an annualized basis, [may be in the form of rental per square footage,] and shall be paid quarterly. Should the availability of space provided to the court of justice be limited by the governmental unit to a part-time basis, the compensation shall be apportioned according to the number of days or partial days per week in which it is made available, one (1) day or partial day per week being considered as one-fifth (1/5) of the time.

SECTION 5. A NEW SECTION OF KRS CHAPTER 26A IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of KRS 24A.192, compensation provided to local units of government for court facilities by the terms of KRS 26A.090 through 26A.115, shall not be deducted from net court revenue.

Section 6. KRS 26A.105, Long-term lease agreements, is repealed.

Section 7. For purposes of funding these amendments to KRS Chapter 26A, there is appropriated to the Court of Justice, out of the general expenditure fund in the State Treasury, for the fiscal years 1980-81 and 1981-82, the following respective amounts: 1980-81, $875,000 and 1981-82, $1,175,000.

Section 8. This Act shall become effective on July 15, 1980.

The Committee Substitute to **HB 507** is as follows:

Committee Substitute for **HB 507,** AN ACT relating to court facilities and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 26A.090 is amended to read as follows:

As used in KRS 26A.090 to 26A.115 unless the context otherwise requires:

(1) "Operating costs allowance" means compensation equivalent to the annual expenses borne by the unit of government for utilities, janitorial service, rent, insurance and necessary maintenance, repair and upkeep of the court facility which do not increase the permanent value or expected life of the court facility, but keeps it in efficient operating condition, *and, at the election of the administrative office of the courts, capital costs of not more than fifteen thousand dollars ($15,000).*

(2) "Use allowance" means compensation equal to four percentum (4%) annually of the total original capital costs and the cost of capitalized renovation of the court facility *but in no instance less than one dollar ($1) per net square foot of space occupied by the court of justice.*

(3) *"Value of money allowance" means:*

(a) In the case of capital costs incurred prior to July 15, 1980, annual compensation equal to seven percentum (7%) per annum of such capital costs less one percentum (1%) for each year or partial year elapsing since construction. The percentum shall continue to decline by one percentum (1%) each year except that the aggregate decrease shall not in combination with the four percentum (4%) use allowance, reduce the percent applied to such capital costs to a figure less than the rate of interest on any bonded indebtedness incurred in connection with such capital costs. At such time as the bonded indebtedness is retired the value of money allowance shall cease.

(b) In the case of capital costs incurred after July 15, 1980, annual compensation equal to the interest rate paid in conjunction with bonded indebtedness incurred with respect to such capital costs, or in absence of bonded indebtedness the prevailing interest rate, applied to the portion of such capital costs which has not been reimbursed by the use allowance, resulting in the reduction of capital costs to which the interest rate or prevailing interest rate is applied by four percentum (4%) per annum.

(4) "Capital costs" means the costs borne by the unit of government, *including* [excluding] grants, for acquisition of property and for construction and capitalized renovation including interest accruing during construction or renovation, but no other interest of each court facility. If capital costs are not documented, reasonable estimates provided by qualified appraisers will suffice.

(5)[(4)] "Capitalized renovation" means all remodeling involving the structural or mechanical systems, except for remodeling that involves substantial demolition of the original structure. Remodeling involving substantial demolition of the original structure shall constitute construction resulting in a new court facility.

(6)[(5)] "Unit of government" means *any agency of state government or* a county, city, urban-county government, special district or corporate entity created for the purpose of constructing or holding title to a court facility.

(7)[(6)] "Court facility" means the land and buildings owned or operated by a unit of government in which space for the court of justice is provided. Judges' benches, jury and witness boxes, and fixed seating shall be considered as permanent building fixtures.

(8)[(7)] "Court facilities standards committee" means a committee consisting of the chief justice or his designee, one judge each of the court of appeals, the circuit court and the district court appointed by the supreme court, the president of the circuit clerks' association, the chairman of the judiciary-courts committees of the general assembly, the secretary of the executive department for finance and administration, and a county judge/executive appointed by the governor. Each appointed member shall serve for a term of four (4) years from the date of his appointment or until he vacates the office in respect to which he was appointed, whichever is earlier.

(9) "Prevailing interest rate" means the average rate of interest on municipal or tax exempt bonds indicated by the national bond buyers index as of July 1 in the year in which construction is completed as determined by the administrative office of the courts.

(10) "Direct costs" means any cost which is attributable exclusively to an identifiable portion or portions of net space occupied by the court of justice or the unit of government.

(11) "Indirect costs" means any cost which is not attributable exclusively to an identifiable portion or portions of the net space occupied by the court of justice or the unit of government.

Section 2. KRS 26A.100 is amended to read as follows:

(1) The circuit and the district court shall be held in the county courthouse of each county unless otherwise ordered by the supreme court in which case it may be held at any other location made available by the county and owned, leased, or controlled by the county. Circuit or district court may also be held in such other locations in the county as may be convenient and approved by the supreme court.

(2) Every county or urban-county government shall provide such reasonably available space which would not disrupt the operation of county government as necessary in the county courthouse, or in other county facilities as permitted in subsection (1), for:

(a) A courtroom or courtrooms for the circuit and the district court;

(b) Chambers for the circuit judge and district judge or judges;

(c) Office space for the circuit and district court staffs;

(d) Office and storage space for the circuit clerk's operations;

(e) Jury facilities for the circuit and the district court;

(f) Office space for other officers of the court of justice including pretrial release officers, court reporters, court administrators, judges' secretaries, friends of the court and commissioners; and

(g) Such other facilities necessary for the operation of the circuit and the district court as may be agreed upon by the county or urban-county government and the administrative office of the courts.

(3) If all necessary facilities for the holding of circuit or district court, for the clerk's operations, or for the operation of the court or its ancillary functions, are not available in county facilities, every city shall, upon request of the administrative office of the courts, provide such reasonably available space which would not disrupt the operation of city government as necessary in the city's facilities for the operations of circuit or district court, or both. The city shall be responsible for providing space for the operations listed in subsection (2) of this section.

(4) If all necessary facilities for the holding of circuit or district court, for the clerk's operations, or for the operation of the court or its ancillary functions, are not available in county or city facilities, every agency of state government, special district, and independent agency of local government, other than a city, may, upon the request of the administrative office of the courts, provide such space as necessary in facilities owned, leased, or controlled by such organization for the operations of circuit or district court, or both. The agency may provide space for the operations listed in subsection (2) of this section.

(5) If all necessary facilities for the holding of circuit or district court, for the clerk's operations, or for the operation of the court or its ancillary functions, are not available in public facilities, private facilities may be rented, leased, purchased, or otherwise acquired, by the *administrative office of the courts* [executive department for finance and administration] pursuant to permission granted by the chief justice for such acquisition and in compliance with the *procedures* [provisions] of KRS Chapters 45 and 56.

(6) Notwithstanding the provisions of subsection (2), space provided in public facilities in respect to which a value of money allowance for capital costs incurred after July 1, 1980 has been paid for two (2) years or longer by the court of justice in accordance with KRS 26A.115, shall not be reoccupied by the unit of government unless space which is in all respects comparable and agreeable to the court of justice is provided in its place.

Section 3. KRS 26A.107 is amended to read as follows:

(1) The court facilities standards committee shall provide for periodic review of each court facility and may make recommendations for improvements.

(2) No use allowance *or value of money allowance* shall be paid respecting any capital costs contracted for any court facility after July 1, 1978, unless the construction or renovation receives prior concurrence by the court facilities standards committee.

Section 4. KRS 26A.115 is amended to read as follows:

(1) Each unit of government providing space in a court facility to the court of justice under the provisions of KRS 26A.100 shall be paid an operating costs allowance, [plus] a use allowance, *and if applicable a value of money allowance* to be administered by the *administrative office of the courts* [executive department for finance and administration]. *No value of money allowance shall be paid in respect to capital costs derived from grants and other funds for which no repayment is required and which have not been locally generated.*

(2) The precise amount paid *as the* [for] operating costs allowance, [and] use allowance *and value of money allowance* shall be computed by allocating to the court of justice *the direct operating and capital costs respecting the net space which it occupies and allotting indirect operating and capital costs to the court of justice* [its proportionate share of each category] according to the relative portion of the floor space in the facility which is occupied by the court of justice. Compensation shall be calculated on an annualized basis, [may be in the form of rental per square footage,] and shall be paid quarterly. Should the availability of space provided to the court of justice be limited by the governmental unit to a part-time basis, the compensation shall be apportioned according to the number of days or partial days per week in which it is made available, one (1) day or partial day per week being considered as one-fifth (1/5) of the time.

SECTION 5. A NEW SECTION OF KRS CHAPTER 26A IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of KRS 24A.192, compensation provided to local units of government for court facilities by the terms of KRS 26A.090 through 26A.115, shall not be deducted from net court revenue.

Section 6. KRS 26A.105, Long-term lease agreements, is repealed.

Section 7. For purposes of funding these amendments to KRS Chapter 26A, there is appropriated to the Court of Justice, out of the general expenditure fund in the State Treasury, for the fiscal years 1980-81 and 1981-82, the following respective amounts: 1980-81, $875,000 and 1981-82, $1,175,000.

Section 8. This Act shall become effective on July 15, 1980.

The Committee on State Government reported **HB 271** with Committee Substitute attached thereto, **HB 631** with Committee Substitute attached thereto, and **HB 695** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 271, AN ACT relating to representative districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 6.031 is amended to read as follows:

The Commonwealth of Kentucky is divided into representative districts as follows:

(1) First District: Ballard, Carlisle, Fulton, and Hickman Counties.

(2) Second District: Graves County.

(3) Third District: That part of McCracken County contained in the city of Paducah.

(4) Fourth District: Livingston County and that part of McCracken County not contained in the Third District.

(5) Fifth District: Calloway County and that part of Trigg County contained in the voting precincts of Canton, West Cadiz, South Cadiz 1 and South Cadiz 2.

(6) Sixth District: Lyon and Marshall Counties and Crittenden County except for voting precincts Marion 4, Marion 6, Rosebud 11, and Shady Grove 12.

(7) Seventh District: Union County; that part of Henderson County not contained in the Eleventh District; that part of Daviess County contained in the voting precincts of Pleasure Ridge, Utica, Snyder School, West Louisville, Curdsville, St. Joseph, Rome, Sorgo, Masonville, Stanley, North Town, South Town, Fields, Habit.

(8) Eighth District: That part of Trigg County contained in the voting precincts of North Cadiz 1, North Cadiz 2, Wallonia, Cerulean, Bethesda, Maggie and Caledonia-Roaring Spring; that part of Christian County contained within the following voting precincts: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 24, 25.

(9) Ninth District: That part of Christian County contained within the following voting precincts: 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32; that part of Hopkins County contained within the following voting precincts: 14, 16, 17.

(10) Tenth District: Hopkins County except for voting precincts: 14, 16, 17.

(11) Eleventh District: Henderson County, except for the voting precincts of South Corydon, Niagara and Hebbardsville, and that portion of the county lying south of Kentucky Highway 416, beginning at its junction with U.S. 41A and proceeding eastward to its junction with Niagara precinct.

(12) Twelfth District: Caldwell and Webster Counties; that part of Crittenden County not included in the Sixth District; that part of McLean County not contained in the Fifteenth District.

(13) Thirteenth District: That part of Daviess County contained in the city of Owensboro but excluding the following voting precincts: 4, 6, 7, 10, 11, 15, 17, 18, 19, 20, 32.

(14) Fourteenth District: That part of Daviess County not contained in the Seventh District or in the Thirteenth District.

(15) Fifteenth District: Muhlenberg County and that part of McLean County contained in voting precincts: 2, 3, 6, 8.

(16) Sixteenth District: Todd and Logan Counties.

(17) Seventeenth District: Hancock, Ohio and Butler Counties.

(18) Eighteenth District: Meade County and Breckinridge County.

(19) Nineteenth District: Edmonson and Grayson Counties; that part of Hart County contained in voting precincts: 3, 13, 14, 16, 17.

(20) Twentieth District: That part of Warren County containing all of the city of Bowling Green excluding the voting precincts of Reels Garage, Octogan Inn, Green Meadows and Delefield but including the voting precincts of Miller's Bottled Gas, Watts Mill and Mt. Victor.

(21) Twenty-first District: That part of Simpson County contained in the voting precincts of Harristown, Public School, West Door and Prospect Hill and that part of Warren County not contained in the Twentieth District.

(22) Twenty-second District: Allen and Monroe Counties, and that part of Simpson County not contained in the Twenty-first District.

(23) Twenty-third District: Barren County and that part of Metcalfe County containing voting precincts Randolph-Wisdom No. 3, Knob Lick No. 4, Savoyard No. 5, Summer Shade No. 8 and Willow Shade-Beaumont No. 9.

(24) Twenty-fourth District: Larue County; that part of Hart County not contained in the Nineteenth District; that part of Marion County not contained in the Fifty-fourth District.

(25) Twenty-fifth District: That part of Hardin County contained in the voting precincts of Elizabethtown East, Elizabethtown West, Elizabethtown Northeast, Elizabethtown Northwest, Elizabethtown North, Helmwood Heights, Mantle, Valley Creek, City Park, Colesburg, Tunnel Hill, Helm, Chelf, Van Meter, South Dixie, Glendale, Nolin, Sonora, Upton, Melrose and White Mills, and that part of the Fort Knox Military Reservation that lies east of a line beginning at the intersection of the southern boundary of the Fort Knox Military Reservation and State Road 447, and extends northward along State Road 447 and a line extending northward through Pleasant View Cemetery and Fort Hill Cemetery and Fort Hill Cemetery to the Jefferson County line at Salt River.

(26) Twenty-sixth District: That part of Hardin County contained in the voting precincts of Radcliff North, Radcliff South, Radcliff West, Vine Grove North, Vine Grove South, Vine Grove West, Longview, Yates, Rineyville, Howevalley, St. John, Cecilia, East View, Meeting Creek, and Long Grove and that part of the Fort Knox Military Reservation not included in the Twenty-fifth and Twenty-seventh Districts.

(27) Twenty-seventh District: That part of Hardin County not contained in the Twenty-fifth and Twenty-sixth Districts, that part of the Fort Knox Military Reservation whose southern boundary is Chaffee Avenue extended westward to the Hardin-Meade County line and eastward to State Road 447, thence northward on State Road 447 and a line extending northward through Pleasant View Cemetery and Fort Hill Cemetery to the Jefferson County line at Salt River and that part of Jefferson County contained in voting precincts C8, C18, C19, C23, C44, C53, C70 and C87 of C District of the county.

(28) Twenty-eighth District: That part of Jefferson County containing voting precincts C7, C31, C33, C40, C43, C45, C47, C56, C57, C58, C65, C66, C72, C73, C78, C79, C82, C90 and C91 of C District of the county.

(29) Twenty-ninth District: That part of Jefferson County containing voting precincts C5, C6, C11, C21, C30, C34, C39, C46, C50, C54, C55, C59, C60, C64, C67, C69, C71, C74, C75, C80, C81, C85, and C94 of C District of the county.

(30) Thirtieth District: That part of Jefferson County containing voting precinct 37 of the Third Ward of the city of Louisville, and voting precincts B7, B10, B13, B14, B15, B18, B19, B21, B22, B24, B38, B42, B43, B48, B54, B58, B64 and B67 of B District of the county.

(31) Thirty-first District: That part of Jefferson County containing voting precincts 16, 17, 19, 26, 29, 34, 35, 36 and 38 of the Second Ward of the city of Louisville; voting precincts A22, A35, A36, A39, A43, A63, A80, A81 and A123 of A District of the county, and voting precincts B4, B5, B6, B9, B17, B27, B28, B35, B39, B45, B55, B56 and B68 of B District of the county.

(32) Thirty-second District: That part of Jefferson County containing voting precincts 3, 4, 5, 6, 7, 9, 10, 13, 14, 20, 21, 23, 24, 25, 27, 28, 29, 30, 32 and 33 of the First Ward; voting precincts 1, 2, 3, 4,

5 and 6 of the Second Ward; voting precincts 1 and 2 of the Third Ward of the city of Louisville, and voting precincts A2, A5, A18, A19, A26, A29, A34, A49, A51, A60 and A73 of A District of the county.

(33) Thirty-Third District: That part of Jefferson County containing voting precincts 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 20, 21, 23, 24, 27, 28, 30, 31, 32 and 33 of the second ward of the city of Louisville; voting precinct A 17 of A District of the county, and voting precincts B1, B2, B3, B29, B30, B31, B33, B34, B59 and B70 of B District of the county.

(34) Thirty-fourth District: That part of Jefferson County containing voting precincts 11, 12, 16, 17 and 19 of the First Ward, and voting precincts 7, 8, 9, 10, 11, 12, 14, 15, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35 and 36 of the third ward, voting precinct 11 of the fifth ward of the city of Louisville, and voting precinct B16 of B District of the county.

(35) Thirty-fifth District: That part of Jefferson County containing voting precincts 17 and 29 of the Third Ward, and voting precincts 5A, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 22, 25, 26, 27, 28, 29, 30, 32, and 33 of the Fourth Ward, voting precincts 10 and 13 of the Eighth Ward of the city of Louisville, and voting precincts B8, B11, B12 and B32 of B District of the county.

(36) Thirty-sixth District: That part of Jefferson County containing voting precinct 15 of the First Ward; voting precincts 13 and 16 of the Third Ward; voting precincts 21 and 23 of the Fourth Ward; voting precincts 5, 6, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 of the Fifth Ward, voting precincts 9, 11, 12 and 14A of the Eighth Ward of the city of Louisville.

(37) Thirty-seventh District: That part of Jefferson County containing voting precinct 34 of the Fourth Ward, voting precincts 4, 6, 7, 8, 9, 10, 11, 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 29 of the Sixth Ward, and voting precincts 6, 8 and 9 of the Seventh Ward, voting precinct 16 of the Eighth Ward of the city of Louisville, and voting precincts C24 and C88 of C District of the county.

(38) Thirty-eighth District: That part of Jefferson County containing voting precincts 12, 13, 15, 16, 27, 28, 30, 31, and 32 of the Sixth Ward, voting precincts 3A, 5, 7, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 of the Seventh Ward of the city of Louisville.

(39) Thirty-ninth District: That part of Jefferson County containing voting precincts 1, 2 and 31 of the First Ward, voting precincts 2, 3 and 4 of the Fifth Ward, voting precinct 5 of the Sixth Ward, voting precincts 1, 2, 3, 4, 5, 6, 7, 8 and 15 of the Eighth Ward, and voting precinct 21 of the Ninth Ward, voting precincts 3, 18, 19 and 27 of the Tenth Ward of the city of Louisville.

(40) Fortieth District: That part of Jefferson County containing voting precincts 2 and 4 of the Seventh Ward, voting precincts 17, 18, 19, 20 and 21 of the Eighth Ward, voting precincts 8, 10, 11, 12, 13, 14A, 15A, 16, 17 and 18 of the Ninth Ward, and voting precincts 22, 23, 24, 25 and 26 of the Tenth Ward of the city of Louisville, and voting precincts C9, C25, C27, C35, C51, C63 and C68 of C District of the county.

(41) Forty-first District: That part of Jefferson County containing voting precincts 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21 and 28 of the Tenth Ward, voting precincts 1, 5, 9, 18, 19, 20 and 21A of the Eleventh Ward of the city of Louisville.

(42) Forty-second District: That part of Jefferson County containing voting precincts 1, 2, 3, 4, 5, 6, 7A, 9, 19 and 20 of the Ninth Ward, voting precincts 8, 10, 11, 12, 13, 14, 15, 16 and 17 of the Eleventh Ward, and voting precincts 21, 22, 23, 24 and 25 of the Twelfth Ward of the city of Louisville.

(43) Forty-third District: That part of Jefferson County containing voting precincts 2, 3, 4, 6 and 7 of the Eleventh Ward, and voting precincts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11A, 12, 13, 14, 15, 16A, 17, 18, 19 and 20 of the Twelfth Ward of the city of Louisville.

(44) Forty-fourth District: That part of Jefferson County containing voting precincts C1, C2, C3, C4, C10, C13, C15, C20, C26, C28, C29, C36, C37, C38, C41, C48, C49, C52, C62, C76, C77, C86, C92 and C93 of C District of the county.

(45) Forty-fifth District: That part of Jefferson County containing voting precincts B23, B63, and B66 of the B District of the county; voting precincts C12, C14, C16, C17, C22, C32, C42, C61, C83, C84 and C89 of C District of the county.

(46) Forty-sixth District: That part of Jefferson County containing voting precincts B20, B25, B26, B36, B37, B40, B41, B44, B46, B47, B49, B50, B51, B52, B53, B57, B60, B61, B62, B65 and B69 of B District of the county.

(47) Forty-seventh District: That part of Jefferson County containing voting precincts A4, A6, A8, A12, A13, A15, A16, A20, A21, A23, A24, A25, A27, A28, A31, A32, A33, A37, A38, A41, A42, A45, A46, A50, A53, A58, A64, A68, A69, A71, A72, A74, A77, A136 and A149 of A District of the county.

(48) Forty-eighth District: That part of Jefferson County containing voting precincts A1, A3, A7, A9, A10, A11, A14, A30, A40, A44, A47, A48, A52, A54, A55, A56, A57, A59, A61, A62, A65, A66, A67, A70, A75, A76, A78 and A79 of A District of the county.

(49) Forty-ninth District: Bullitt and Spencer Counties.

(50) Fiftieth District: Nelson County *and* [;] that part of Washington County not contained in the Fifty-fourth District[; that part of Anderson County contained in voting precincts 10, 11].

(51) Fifty-first District: Green and Taylor Counties, and that part of Metcalfe County not contained in the Twenty-third District.

(52) Fifty-second District: Adair and Casey Counties and that part of Russell County not contained in the Fifty-third District.

(53) Fifty-third District: Wayne, Clinton and Cumberland Counties; that part of Russell County contained within the county census division of Eli bounded by: State Highway 80; county line, Lake Cumberland, Caney Creek, Caney Fork, Clear Fork, Dunbar Trail, Dunbar Road, West Wilson Road, State Highway 80, that part of Russell County contained within the county census division of Bryan bounded by: State Highway 92, Greasy Creek, Bethel Creek Fork, Blankenship Road, State Highway 55, Helen Road, State Highway 35, county line.

(54) Fifty-fourth District: Boyle County; that part of Marion County contained in voting precincts 1, 2, 3; that part of Washington County contained in voting precincts 5, 6, 7, 8, 9, 10.

(55) Fifty-fifth District: Garrard, [and] Mercer *and* [Counties; that part of] Anderson *Counties* [County not contained in the Fiftieth District].

(56) Fifty-sixth District: Jessamine and Woodford Counties.

(57) Fifty-seventh District: Franklin County.

(58) Fifty-eighth District: Henry and Shelby Counties.

(59) Fifty-ninth District: Carroll, Gallatin, Oldham, and Trimble Counties.

(60) Sixtieth District: Boone County.

(61) Sixty-first District: Bracken, Grant and Owen Counties and Pendleton County except for the voting precincts of Bonar and Sandsuck.

(62) Sixty-second District: Harrison and Scott Counties.

(63) Sixty-third District: That part of Kenton County containing the following voting precincts: Crestview, Edgewood 1, 2 and 3; Elsmere 4; Erlanger 1, 2, 3, and 7; Fort Mitchell 1, 2, 3, 4, 5 and 6; Fort Wright 1, 2, 3, 4 and 5; Lakeside Park 1, 2 and 3; Park Hills 1, 2 and 3; and Sandfordtown.

(64) Sixty-fourth District: That part of Kenton County containing the following voting precincts: Bracht, Cherokee, Covington 26, 27, 29, 30, 40, 41, 42 and 43, Decoursey, Independence 1 and 2, Morningview, Nicholson, Oakridge, Piner, Richardson, Taylor Mill 1 and 2, Visalia, Whites Tower, Winston Park.

(65) Sixty-fifth District: That part of Kenton County containing the following voting precincts: Covington 12, 14, 15, 17, 18, 19, 20, 20A, 23, 24, 25, 31, 33, 34, 35, 36 and 39.

(66) Sixty-sixth District: That part of Kenton County containing the following voting precincts: Covington 6, 7, 10, 10A and 13, Bromley, Crescent Springs, Elsmere 1, 2 and 3, Erlanger 4, 5, 6, 8 and 9, Ludlow 1, 2, 3, 4 and 5, Villa Hills 1 and 2.

(67) Sixty-seventh District: That part of Campbell County containing all of the voting precincts in the city of Newport, the city of Wilder, the city of Southgate except voting precinct Southgate B; that part of Kenton County containing voting precincts Covington 1, 3.

(68) Sixty-eighth District: That part of Campbell County containing all the voting precincts in the city of Bellevue; all the voting precincts in the city of Dayton; voting precincts A, B, C, D, E, G, L and P in the city of Fort Thomas and the voting precincts of Woodlawn, Brent, Crestview, Silver Grove, Hayfield, Carthage, Camp Springs and Melbourne.

(69) Sixty-ninth District: That part of Campbell County not contained in the Sixty-seventh and Sixty-eighth Districts; that part of Pendleton County contained in the voting precincts of Bonar and Sandsuck.

(70) Seventieth District: Mason, Fleming and Robertson Counties; that part of Rowan County contained in census enumeration district 3 bounded by Bath County line, Triplett Creek, Morehead city limits, Kentucky Highway 32, Fleming County line.

(71) Seventy-first District: Morgan and Menifee Counties; that part of Rowan County not contained in the Seventieth District; the Northern part of Wolfe County bounded by Kentucky Highway 15, Campton City limits, Kentucky Highway 746, Mountain Parkway Extension, Morgan County line, Menifee County line, Powell County line, including the city of Campton.

(72) Seventy-second District: Bourbon County and that part of Fayette County not contained in the Seventy-fifth District, the Seventy-sixth, Seventy-seventh, Seventy-eighth and Seventy-ninth Districts.

(73) Seventy-third District: Clark and Powell Counties.

(74) Seventy-fourth District: Bath, Nicholas and Montgomery Counties.

(75) Seventy-fifth District: That part of Fayette County contained within the following described boundaries: Beginning at the intersection of South Broadway and Mason Headley Road; then with the center line of South Broadway in a northeastwardly direction to the intersection of South Broadway and Virginia Avenue; then in a northwestwardly direction with the western boundary of the Kentucky Trotting Horse Breeders Association property (Red Mile) to the Versailles Pike across from the intersection of Forbes Road; then in a generally northwardly direction with the center line of Forbes Road to its intersection with the Old Frankfort Pike to its intersection with Leestown Pike (West Main Street); then in a southeastwardly

direction with the center line of West Main Street to its intersection with Newtown Pike; then in a northwestwardly direction with the center line of Newtown Pike to its intersection with West Fourth Street; then in a southeastwardly direction with the center line of West Fourth Street to the Louisville and Nashville Railroad Company crossing; then in a northeastwardly direction with the center line of the right-of-way of the Louisville and Nashville Railroad Company to its crossing of the Russell Cave Pike (Ky 353); then in a generally southwardly direction along the center line of the Russell Cave Pike to Louden Avenue; then in a southeastwardly direction with the center line of Louden Avenue to its intersection with Maple Avenue; then in a southeastwardly direction with the center line of Maple Avenue to its intersection with East Seventh Street and in a southeastwardly direction along the center line of East Seventh Street to its intersection with Shropshire; then in a southwestwardly direction with the center line of Shropshire Avenue to East Sixth Street and in a northwestwardly direction with the center line of East Sixth Street to its intersection with Pemberton; then in a southwestwardly direction with the center line of Pemberton to its intersection with East Fifth Street; then in a southeastwardly direction with the center line of East Fifth Street to its intersection with Race Street and in a southwestwardly direction with the center line of Race Street to its intersection with East Third Street; then in a southeastwardly direction with the center line of East Third Street to its intersection with Walton Avenue; then in a southwestwardly direction with the center line of Walton Avenue to its intersection with East Main Street; then in a southeastwardly direction with the center line of East Main Street to its intersection with Irvine Road; then in a southwestwardly direction with the center line of Irvine Road to its intersection with Fontaine Road; then in a northwestwardly direction with the center line of Fontaine Road to its intersection with East High Street; then in a generally southwardly direction with the center line of East High Street to the northwest property line of Cassidy school; then following the property line of Cassidy school back to the southwest boundary of East High Street; then with the center line of East High Street to its intersection with Cooper Drive; then westwardly along the center line of Cooper Drive where it meets the eastern property boundary of the University of Kentucky Experimental Farm; then south around the property line of the University of Kentucky Experimental Farm to the western boundary where it meets Iroquois; then northwestwardly to the intersection of Iroquois and South Limestone; then southwardly along the center line of South Limestone to the intersection of Southland Drive; then northwestwardly along the center line of Southland Drive to the intersection of Southland Drive and Southview Drive; then southwestwardly along Southview Drive to the intersection of Southview Drive and Hollyhill Drive; then westwardly along the rear property line of Hollyhill Drive to the intersection of Hollyhill Drive and Clays Mill Road; then northwardly along the center line to the intersection of Clays Mill Road and South Broadway and with the center line of South Broadway to the Mason Headley Road, to the point of beginning.

(76) Seventy-sixth District: That part of Fayette County contained within the following boundaries: Beginning at the intersection of East Third Street and Race Street; then in a southeastwardly direction along the center line of East Third Street to its intersection with Walton Avenue; then in a southeastwardly direction with the center line of Walton Avenue to its intersection with East Main Street; then in a southeastwardly direction with the center line of East Main Street to its intersection with West Fairway Drive; then in a northeastwardly direction with the center line of West Fairway Drive to its intersection with Henry Clay Boulevard; then in a northeastwardly direction with the center line of Henry Clay Boulevard to its intersection with Menifee Avenue and in a southeastwardly direction with the center line of Menifee Avenue to a point in the southeast property line of Holiday Road; then in a southwestwardly direction with the southeast property line of Holiday Road to East Main Street; then in a southeastwardly direction with the center line of East Main Street to its intersection with New Circle Road (Ky 4); then in a generally northwardly direction along the center line of New Circle Road through its intersection with Liberty Road and Winchester Pike to its intersection with the Louisville and Nashville Railroad right-of-way; then in a northeastwardly direction with the Louisville and Nashville Railroad right-of-way to the point where it underpasses Interstate 64-75; then in a northwestwardly direction with the right-of-way of Interstate 64-75 to its overpass on the Russell Cave Pike (Ky 353); then in a southwestwardly direction with the center line of Russell Cave Pike to its intersection with the New Circle Road; then in a southeastwardly direction with the center line of New Circle Road to its intersection with the Old Paris Pike (North Limestone); then in a southwestwardly direction with the center line of North Limestone to its intersection with Carlisle Avenue; then in a southeastwardly direction along the center line of Carlisle Avenue to its intersection of Bryan Avenue; then in a southwestwardly direction with the center line of Bryan Avenue to its intersection with Louden Avenue; then in a southeastwardly direction with the center line of Louden Avenue to its intersection with Maple Avenue; then in a southwestwardly direction with the center line of Maple Avenue to East Seventh Street; then in a southeastwardly direction along the center line of East Seventh Street to Shropshire; then in a southwestwardly direction along the center line of Shropshire to East Sixth Street; then in a northwestwardly direction along the center line of East Sixth Street to Pemberton; then in a southwestwardly direction along the center line of Pemberton to East Sixth Street; then in a southeastwardly direction with the center line of East Fifth Street to Race Street; then in a southwestwardly direction along the center line of Race Street to its intersection with East Third Street, the point of beginning.

(77) Seventy-seventh District: That part of Fayette County contained within the following boundaries: Beginning at the intersection of the Versailles Road (US 60) and the New Circle Road (Ky 4); then with the New Circle Road in a generally northeastwardly direction to the following intersections: Old Frankfort Pike, Leestown Pike, Georgetown Pike, Newtown Pike, Russell Cave Pike and North Broadway to its intersection with the Old Paris Pike (North Limestone); then in a southwestwardly direction along the center line of North Limestone to Carlisle Avenue; then in a southeastwardly direction with the center line of Carlisle Avenue to Bryan Avenue; then in a southwestwardly direction with the center line of Bryan Avenue to its intersection with Louden Avenue and in a northwestwardly direction with the center line of Louden Avenue to its intersection with Russell Cave Pike and in a generally northwardly direction with the center line of the Russell Cave Pike to the Louisville and Nashville Railroad crossing; then in a southwestwardly direction with the right-of-way with the Louisville and Nashville Railroad to West Fourth Street; then in a northwestwardly direction along the center line of West Fourth Street to the Newtown Pike and in a southwestwardly direction along the center line of the Newtown Pike to West Main Street; then in a northwestwardly direction with West Main Street (Leestown Pike) to Forbes Road; then in a southwestwardly direction along the center line of Forbes Road to the Versailles Road and across the Versailles Road and along the western property line of the Kentucky Trotting Horse Breeders Association (Red Mile) to South Broadway and in a southwestwardly direction along the center line of South Broadway to Clays Mill Road and continuing in a southwestwardly direction along the center line of Clays Mill Road to Longview Drive; then in a northwestwardly direction along the center line of Longview Drive to the Harrodsburg Road; then in a southwestwardly direction along the center line of the Harrodsburg Road to the New Circle Road and in a northwestwardly direction along the center line of New Circle Road to a point opposite the center line of Lansill Road and in a northeastwardly direction along the center line of Lansill Road to a point on the Lane Allen Road; then continuing in a northeastwardly direction along the center line of Traveller Road to the northwest property line of Antietam Road; then in a generally northwardly direction along the line between the rear property lines of Traveller Road and Alexandria Drive to the Parkers Mill Road; then continuing in a generally northwardly direction along the center line of the Parkers Mill Road to Versailles Road; then in a westwardly direction along the center line of Versailles Road to the New Circle Road, the point of beginning.

(78) Seventy-eighth District: That part of Fayette County contained within the following boundaries: Beginning on Versailles Pike (US 60) at the Woodford County line; then eastwardly with the center line of the Versailles Pike to the intersection with the New Circle Road, then continuing along the Versailles Pike to Parkers Mill Road; then in a generally southwardly direction along the center line of Parkers Mill Road and continuing in a southerly direction along the rear property lines of Traveller Road and Alexandria Drive to the northwestwardly property line of Antietam Road and in a southwestwardly direction with said property line of Antietam Road to the center line of Traveller Road and with the center line of Traveller Road to the Lane Allen Road; then in a southwestwardly direction to the center line of Lansill Road, continuing along the center line of Lansill Road and on to New Circle Road and in a southeastwardly direction along the center line of the New Circle Road to the Harrodsburg Road; then in a northeastwardly direction along the center line of Harrodsburg Road to its intersection with Longview Drive; then in a southeastwardly direction along the center line of Longview Drive to Clays Mill Road; then in a southwestwardly direction along Clays Mill Road to the intersection of Hollyhill Drive; then along the rear property line in a southeastwardly direction to Southview Drive; then northeastwardly along the center line of Southview Drive to the intersection of Southland Drive; then southeastwardly along the center line of Southland Drive to the intersection of Southland Drive and South Limestone; then northeastwardly to the intersection of Iroquois and South Limestone; then eastwardly along Iroquois to the western property line of the University of Kentucky Experimental Farm and along the southern boundaries of the University of Kentucky Experimental Farm property to the eastern boundary of the University of Kentucky Experimental Farm property where it meets Cooper Drive; then along the center line in a southeastwardly direction to the intersection of Cooper Drive and East High Street (Tates Creek Pike); then in a generally southerly direction along the center line of Tates Creek Pike to the Fayette County line; then along the Fayette County line in a generally northwestwardly direction to the Versailles Pike (US 60), the point of beginning.

(79) Seventy-ninth District: That part of the county of Fayette contained within the following boundaries: Beginning at the Kentucky River at the landing of Tates Creek Pike; then in a generally northwestwardly direction along the center line of the Tates Creek Pike (East High Street) to its intersection with Fontaine Road; then in a southeastwardly direction with the center line of Fontaine Road to its intersection with Irvine Road; then in a northeastwardly direction with the center line of Irvine Road to its intersection with East Main Street; then with the center line of East Main Street in a southeastwardly direction to its intersection with West Fairway Drive; then in a northeastwardly direction with the center line of East Fairway Drive to its intersection with Henry Clay Boulevard; then continuing in a northeastwardly direction with the center line of Henry Clay Road to its intersection with Menifee Avenue; then in a southeastwardly direction with the center line of Menifee Avenue to the southeast property line of Holiday Road; then in

a southwestwardly direction with the southeast property line of Holiday Road to its intersection with East Main Street; then in a southeastwardly direction with the center line of East Main Street to its intersection with New Circle Road (Ky 4); then with the center line of New Circle Road through its intersection with Liberty Road and Winchester Road to its intersection with the Louisville and Nashville Railroad right-of-way; then in a northeastwardly direction with the Louisville and Nashville Railroad to its underpass of Interstate 64-75; then in a northwestwardly direction with the right-of-way of Interstate 64-75 to the Bryan Station Pike (Ky 956) and in a northwestwardly direction along the center line of the Bryan Station Pike to the Muir Station Pike; then in a southeastwardly direction along center line of the Muir Station Pike to the Briar Hill Pike; then in a northeastwardly direction along the center line of the Briar Hill Pike to the Bourbon County line; then following the Fayette County line in a generally southerly direction to the Kentucky River and along the Kentucky River to the Tates Creek Pike, the point of beginning.

(80) Eightieth District: Lincoln and Rockcastle Counties and that part of Pulaski County contained within the following voting precincts: Eubank 25, Estesburg 26, Hazeldell 27, Good Hope 28 and Catron 31.

(81) Eighty-first District: That part of Madison County not contained in the Eighty-fourth District.

(82) Eighty-second District: Whitley County; that part of McCreary County contained within the county census division of Pine Knot bounded by: Blue Heron Road extended, Blue Heron Road, State Highway 742, U. S. Highway 27, Laurel Creek, Marsh Creek, Duck Run, county line, state line, South Fork Cumberland River; that part of McCreary County contained within the County Census Division of Cooperative bounded by: South Fork Cumberland River, state line, county line; that part of McCreary County contained within the county census division of Stearns bounded by: Lick Creek, Bridge Fork, Laurel Creek, U. S. Highway 27, State Highway 742, Blue Heron Road, Blue Heron Road extended, South Fork Cumberland River.

(83) Eighty-third District: That part of Pulaski County not contained in the Eightieth District.

(84) Eighty-fourth District: Estill and Jackson Counties and that part of Madison County contained in the city of Berea and in voting precincts 19 and 20.

(85) Eighty-fifth District: Laurel County and that part of McCreary County not contained in the Eighty-second District.

(86) Eighty-sixth District: Knox County; that part of Clay County contained in voting precincts 1, 8, 12, 13, 14, 15.

(87) Eighty-seventh District: Bell County and that part of Harlan County contained in voting precinct Pathfork 41.

(88) Eighty-eighth District: That part of Harlan County not contained in the Eighty-seventh and Ninetieth Districts.

(89) Eighty-ninth District: Breathitt and Lee Counties and that part of Wolfe County not contained in the Seventy-first District, and that part of Perry County contained in census county division of Big Creek, Blue Diamond Buckhorn, Yerkes-Busy and Krypton lying north and east of the following boundary: Leslie County line, Big Creek-Right Fork Divide, Buffalo Fork Big Creek-Buffalo Creek Divide, Brown's Fork-Buffalo Creek Divide, Messer Branch-Davidson Branch Divide, Happy Hollow, Hazard City limits, Walker Branch-North Fork Kentucky River Divide; Laurel Fork-Lost Creek-First Creek Divide, Sixteenmile Creek-Lower Second Creek Divide, Lost Creek, Grapevine Creek Divide, Tenmile Creek-Grapevine Creek Divide, Breathitt County line, Owsley County line, and Clay County line.

(90) Ninetieth District: Leslie and Owsley Counties, and that part of Harlan County contained in the voting precincts of Pine Mountain-Big Laurel No. 11, Bledsoe No. 12, New Baxter No. 9, Old Baxter No. 8, School House Loyall No. 35, City Hall Loyall No. 34, Rio Vista No. 36, and Putney No. 10, and that part of Clay County contained in voting precincts 2, 3, 4, 5, 6, 7, 9, 10, 11.

(91) Ninety-first District: That part of Perry County not contained in the Eighty-ninth district, and that part of Letcher County not contained in the Ninety-second District.

(92) Ninety-second District: Knott and Magoffin Counties; that part of Letcher County contained in census county division of Blackey, Colson, Fleming-Neon, and census enumeration districts 21 and 22, lying northwest of the following boundary: Perry County line, Turkey Creek-Defeated Creek Divide, Whittaker Branch Road, Tolson Branch Road, Kentucky Highway 588, Mills Branch Road, Mills Branch Spur Road, Rockhouse Creek-Smoot Creek Divide, Kentucky Highway 15, Smoot Creek-Dry Fork Divide, Rockhouse Creek-North Fork Kentucky River Divide, Millstone Creek Road, Kentucky Highway 803, State Highway 113, North Fork Kentucky River, U. S. Highway 119, Seco city limits, U.S. Highway 119, Jenkins city limits, McRoberts city limits, Fleming city limits, and from Hemphill-Jackhorn P.O. due north to Pike County line, including the cities of Seco and Fleming.

(93) Ninety-third District: That part of Pike County contained in voting precincts Caney 20, Yeager 21, Old Shelby 22, Long Fork 23, Dorton 24 and Elmwood in district 2; Marrowbone 30, Rockhouse 31, Henry Clay 32, Hellier 33, Ashcamp 34 and Rasnick 35 in district 3; Millard 40, Lick Creek 42, Grapevine

43, and Garden Village 46 in district 4; Raccoon 51 in district 5; Peter 70, Blackberry 71, Knox 72, Freeburn-Cline 73, Wolford 74, Bluesprings 75, Majestic 76 in district 7; Mouthcard 80, Upper Elkhorn 81, Elkhorn City Hall 82, Belcher 83, Feds Creek 84, Looney 85 in district 8.

(94) Ninety-fourth District: That part of Pike County not contained in the Ninety-third District; that part of Floyd County not contained in the Ninety-fifth District.

(95) Ninety-fifth District: Floyd County except for the voting precincts Herold, Toler Creek, Antioch, Branhams Creek, Head of Mud, Tickey.

(96) Ninety-sixth District: Carter and Lewis Counties.

(97) Ninety-seventh District: Johnson and Martin Counties, and that part of Lawrence County contained in voting precincts 7, 9, 10, 11, 12, 13 and 14.

(98) Ninety-eighth District: That part of Greenup County not contained in the Ninety-ninth District.

(99) Ninety-ninth District: Elliott County; that part of Lawrence County contained in voting precincts 1, 2, 3, 4, 5, 6 and 8; that part of Boyd County containing the following voting precincts: Court House 1, City Building 2, Argo 3, Hampton 4, Rockdale 5, England Hill 7, Durbin 8, East Fork 9, Cannonsburg 10, Princess 11, Garner 12, Hoods Creek 13, Fairview 14, Buckley 15, Westwood 16, Millseat 17; that part of Greenup County contained in census enumeration district 10, known as Bellefonte City, bounded by county line, Country Club Drive (State Highway 693) to its junction with State Highway 1725, then southeasterly to the county line.

(100) One hundredth District: That part of Boyd County not contained in the Ninety-ninth District.

The Committee Substitute to **HB 271** is as follows:

Committee Substitute for **HB 271,** AN ACT relating to representative districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 6.031 is amended to read as follows:

The Commonwealth of Kentucky is divided into representative districts as follows:

(1) First District: Ballard, Carlisle, Fulton, and Hickman Counties.

(2) Second District: Graves County.

(3) Third District: That part of McCracken County contained in the city of Paducah.

(4) Fourth District: Livingston County and that part of McCracken County not contained in the Third District.

(5) Fifth District: Calloway County and that part of Trigg County contained in the voting precincts of Canton, West Cadiz, South Cadiz 1 and South Cadiz 2.

(6) Sixth District: Lyon and Marshall Counties and Crittenden County except for voting precincts Marion 4, Marion 6, Rosebud 11, and Shady Grove 12.

(7) Seventh District: Union County; that part of Henderson County not contained in the Eleventh District; that part of Daviess County contained in the voting precincts of Pleasure Ridge, Utica, Snyder School, West Louisville, Curdsville, St. Joseph, Rome, Sorgo, Masonville, Stanley, North Town, South Town, Fields, Habit.

(8) Eighth District: That part of Trigg County contained in the voting precincts of North Cadiz 1, North Cadiz 2, Wallonia, Cerulean, Bethesda, Maggie and Caledonia-Roaring Spring; that part of Christian County contained within the following voting precincts: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 24, 25.

(9) Ninth District: That part of Christian County contained within the following voting precincts: 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32; that part of Hopkins County contained within the following voting precincts: 14, 16, 17.

(10) Tenth District: Hopkins County except for voting precincts: 14, 16, 17.

(11) Eleventh District: Henderson County, except for the voting precincts of South Corydon, Niagara and Hebbardsville, and that portion of the county lying south of Kentucky Highway 416, beginning at its junction with U.S. 41A and proceeding eastward to its junction with Niagara precinct.

(12) Twelfth District: Caldwell and Webster Counties; that part of Crittenden County not included in the Sixth District; that part of McLean County not contained in the Fifteenth District.

(13) Thirteenth District: That part of Daviess County contained in the city of Owensboro but excluding the following voting precincts: 4, 6, 7, 10, 11, 15, 17, 18, 19, 20, 32.

(14) Fourteenth District: That part of Daviess County not contained in the Seventh District or in the Thirteenth District.

(15) Fifteenth District: Muhlenberg County and that part of McLean County contained in voting precincts: 2, 3, 6, 8.

(16) Sixteenth District: Todd and Logan Counties.

(17) Seventeenth District: Hancock, Ohio and Butler Counties.

(18) Eighteenth District: Meade County and Breckinridge County.

(19) Nineteenth District: Edmonson and Grayson Counties; that part of Hart County contained in voting precincts: 3, 13, 14, 16, 17.

(20) Twentieth District: That part of Warren County containing all of the city of Bowling Green excluding the voting precincts of Reels Garage, Octogan Inn, Green Meadows and Delefield but including the voting precincts of Miller's Bottled Gas, Watts Mill and Mt. Victor.

(21) Twenty-first District: That part of Simpson County contained in the voting precincts of Harristown, Public School, West Door and Prospect Hill and that part of Warren County not contained in the Twentieth District.

(22) Twenty-second District: Allen and Monroe Counties, and that part of Simpson County not contained in the Twenty-first District.

(23) Twenty-third District: Barren County and that part of Metcalfe County containing voting precincts Randolph-Wisdom No. 3, Knob Lick No. 4, Savoyard No. 5, Summer Shade No. 8 and Willow Shade-Beaumont No. 9.

(24) Twenty-fourth District: Larue County; that part of Hart County not contained in the Nineteenth District; that part of Marion County not contained in the Fifty-fourth District.

(25) Twenty-fifth District: That part of Hardin County contained in the voting precincts of Elizabethtown East, Elizabethtown West, Elizabethtown Northeast, Elizabethtown Northwest, Elizabethtown North, Helmwood Heights, Mantle, Valley Creek, City Park, Colesburg, Tunnel Hill, Helm, Chelf, Van Meter, South Dixie, Glendale, Nolin, Sonora, Upton, Melrose and White Mills, and that part of the Fort Knox Military Reservation that lies east of a line beginning at the intersection of the southern boundary of the Fort Knox Military Reservation and State Road 447, and extends northward along State Road 447 and a line extending northward through Pleasant View Cemetery and Fort Hill Cemetery and Fort Hill Cemetery to the Jefferson County line at Salt River.

(26) Twenty-sixth District: That part of Hardin County contained in the voting precincts of Radcliff North, Radcliff South, Radcliff West, Vine Grove North, Vine Grove South, Vine Grove West, Longview, Yates, Rineyville, Howevalley, St. John, Cecilia, East View, Meeting Creek, and Long Grove and that part of the Fort Knox Military Reservation not included in the Twenty-fifth and Twenty-seventh Districts.

(27) Twenty-seventh District: That part of Hardin County not contained in the Twenty-fifth and Twenty-sixth Districts, that part of the Fort Knox Military Reservation whose southern boundary is Chaffee Avenue extended westward to the Hardin-Meade County line and eastward to State Road 447, thence northward on State Road 447 and a line extending northward through Pleasant View Cemetery and Fort Hill Cemetery to the Jefferson County line at Salt River and that part of Jefferson County contained in voting precincts C8, C18, C19, C23, C44, C53, C70 and C87 of C District of the county.

(28) Twenty-eighth District: That part of Jefferson County containing voting precincts C7, C31, C33, C40, C43, C45, C47, C56, C57, C58, C65, C66, C72, C73, C78, C79, C82, C90 and C91 of C District of the county.

(29) Twenty-ninth District: That part of Jefferson County containing voting precincts C5, C6, C11, C21, C30, C34, C39, C46, C50, C54, C55, C59, C60, C64, C67, C69, C71, C74, C75, C80, C81, C85, and C94 of C District of the county.

(30) Thirtieth District: That part of Jefferson County containing voting precinct 37 of the Third Ward of the city of Louisville, and voting precincts B7, B10, B13, B14, B15, B18, B19, B21, B22, B24, B38, B42, B43, B48, B54, B58, B64 and B67 of B District of the county.

(31) Thirty-first District: That part of Jefferson County containing voting precincts 16, 17, 19, 26, 29, 34, 35, 36 and 38 of the Second Ward of the city of Louisville; voting precincts A22, A35, A36, A39, A43, A63, A80, A81 and A123 of A District of the county, and voting precincts B4, B5, B6, B9, B17, B27, B28, B35, B39, B45, B55, B56 and B68 of B District of the county.

(32) Thirty-second District: That part of Jefferson County containing voting precincts 3, 4, 5, 6, 7, 9, 10, 13, 14, 20, 21, 23, 24, 25, 27, 28, 29, 30, 32 and 33 of the First Ward; voting precincts 1, 2, 3, 4, 5 and 6 of the Second Ward; voting precincts 1 and 2 of the Third Ward of the city of Louisville, and voting precincts A2, A5, A18, A19, A26, A29, A34, A49, A51, A60 and A73 of A District of the county.

(33) Thirty-Third District: That part of Jefferson County containing voting precincts 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 20, 21, 23, 24, 27, 28, 30, 31, 32 and 33 of the second ward of the city of Louisville; voting precinct A 17 of A District of the county, and voting precincts B1, B2, B3, B29, B30, B31, B33, B34, B59 and B70 of B District of the county.

(34) Thirty-fourth District: That part of Jefferson County containing voting precincts 11, 12, 16, 17 and 19 of the First Ward, and voting precincts 7, 8, 9, 10, 11, 12, 14, 15, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35 and 36 of the third ward, voting precinct 11 of the fifth ward of the city of Louisville, and voting precinct B16 of B District of the county.

(35) Thirty-fifth District: That part of Jefferson County containing voting precincts 17 and 29 of the Third Ward, and voting precincts 5A, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 22, 25, 26, 27, 28, 29, 30, 32, and 33 of the Fourth Ward, voting precincts 10 and 13 of the Eighth Ward of the city of Louisville, and voting precincts B8, B11, B12 and B32 of B District of the county.

(36) Thirty-sixth District: That part of Jefferson County containing voting precinct 15 of the First Ward; voting precincts 13 and 16 of the Third Ward; voting precincts 21 and 23 of the Fourth Ward; voting precincts 5, 6, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 of the Fifth Ward, voting precincts 9, 11, 12 and 14A of the Eighth Ward of the city of Louisville.

(37) Thirty-seventh District: That part of Jefferson County containing voting precinct 34 of the Fourth Ward, voting precincts 4, 6, 7, 8, 9, 10, 11, 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 29 of the Sixth Ward, and voting precincts 6, 8 and 9 of the Seventh Ward, voting precinct 16 of the Eighth Ward of the city of Louisville, and voting precincts C24 and C88 of C District of the county.

(38) Thirty-eighth District: That part of Jefferson County containing voting precincts 12, 13, 15, 16, 27, 28, 30, 31, and 32 of the Sixth Ward, voting precincts 3A, 5, 7, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 of the Seventh Ward of the city of Louisville.

(39) Thirty-ninth District: That part of Jefferson County containing voting precincts 1, 2 and 31 of the First Ward, voting precincts 2, 3 and 4 of the Fifth Ward, voting precinct 5 of the Sixth Ward, voting precincts 1, 2, 3, 4, 5, 6, 7, 8 and 15 of the Eighth Ward, and voting precinct 21 of the Ninth Ward, voting precincts 3, 18, 19 and 27 of the Tenth Ward of the city of Louisville.

(40) Fortieth District: That part of Jefferson County containing voting precincts 2 and 4 of the Seventh Ward, voting precincts 17, 18, 19, 20 and 21 of the Eighth Ward, voting precincts 8, 10, 11, 12, 13, 14A, 15A, 16, 17 and 18 of the Ninth Ward, and voting precincts 22, 23, 24, 25 and 26 of the Tenth Ward of the city of Louisville, and voting precincts C9, C25, C27, C35, C51, C63 and C68 of C District of the county.

(41) Forty-first District: That part of Jefferson County containing voting precincts 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21 and 28 of the Tenth Ward, voting precincts 1, 5, 9, 18, 19, 20 and 21A of the Eleventh Ward of the city of Louisville.

(42) Forty-second District: That part of Jefferson County containing voting precincts 1, 2, 3, 4, 5, 6, 7A, 9, 19 and 20 of the Ninth Ward, voting precincts 8, 10, 11, 12, 13, 14, 15, 16 and 17 of the Eleventh Ward, and voting precincts 21, 22, 23, 24 and 25 of the Twelfth Ward of the city of Louisville.

(43) Forty-third District: That part of Jefferson County containing voting precincts 2, 3, 4, 6 and 7 of the Eleventh Ward, and voting precincts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11A, 12, 13, 14, 15, 16A, 17, 18, 19 and 20 of the Twelfth Ward of the city of Louisville.

(44) Forty-fourth District: That part of Jefferson County containing voting precincts C1, C2, C3, C4, C10, C13, C15, C20, C26, C28, C29, C36, C37, C38, C41, C48, C49, C52, C62, C76, C77, C86, C92 and C93 of C District of the county.

(45) Forty-fifth District: That part of Jefferson County containing voting precincts B23, B63, and B66 of the B District of the county; voting precincts C12, C14, C16, C17, C22, C32, C42, C61, C83, C84 and C89 of C District of the county.

(46) Forty-sixth District: That part of Jefferson County containing voting precincts B20, B25, B26, B36, B37, B40, B41, B44, B46, B47, B49, B50, B51, B52, B53, B57, B60, B61, B62, B65 and B69 of B District of the county.

(47) Forty-seventh District: That part of Jefferson County containing voting precincts A4, A6, A8, A12, A13, A15, A16, A20, A21, A23, A24, A25, A27, A28, A31, A32, A33, A37, A38, A41, A42, A45, A46, A50, A53, A58, A64, A68, A69, A71, A72, A74, A77, A136 and A149 of A District of the county.

(48) Forty-eighth District: That part of Jefferson County containing voting precincts A1, A3, A7, A9, A10, A11, A14, A30, A40, A44, A47, A48, A52, A54, A55, A56, A57, A59, A61, A62, A65, A66, A67, A70, A75, A76, A78 and A79 of A District of the county.

(49) Forty-ninth District: Bullitt and Spencer Counties.

(50) Fiftieth District: Nelson County *and* [;] that part of Washington County not contained in the Fifty-fourth District[; that part of Anderson County contained in voting precincts 10, 11].

(51) Fifty-first District: Green and Taylor Counties, and that part of Metcalfe County not contained in the Twenty-third District.

(52) Fifty-second District: Adair and Casey Counties and that part of Russell County not contained in the Fifty-third District.

(53) Fifty-third District: Wayne, Clinton and Cumberland Counties; that part of Russell County contained within the county census division of Eli bounded by: State Highway 80; county line, Lake Cumberland, Caney Creek, Caney Fork, Clear Fork, Dunbar Trail, Dunbar Road, West Wilson Road, State Highway 80, that part of Russell County contained within the county census division of Bryan bounded by: State Highway 92, Greasy Creek, Bethel Creek Fork, Blankenship Road, State Highway 55, Helen Road, State Highway 35, county line.

(54) Fifty-fourth District: Boyle County; that part of Marion County contained in voting precincts 1, 2, 3; that part of Washington County contained in voting precincts 5, 6, 7, 8, 9, 10.

(55) Fifty-fifth District: Garrard, [and] Mercer *and* [Counties; that part of] Anderson *Counties* [County not contained in the Fiftieth District].

(56) Fifty-sixth District: Jessamine and Woodford Counties.

(57) Fifty-seventh District: Franklin County.

(58) Fifty-eighth District: Henry and Shelby Counties.

(59) Fifty-ninth District: Carroll, Gallatin, Oldham, and Trimble Counties.

(60) Sixtieth District: Boone County.

(61) Sixty-first District: Bracken, Grant and Owen Counties and Pendleton County except for the voting precincts of Bonar and Sandsuck.

(62) Sixty-second District: Harrison and Scott Counties.

(63) Sixty-third District: That part of Kenton County containing the following voting precincts: Crestview, Edgewood 1, 2 and 3; Elsmere 4; Erlanger 1, 2, 3, and 7; Fort Mitchell 1, 2, 3, 4, 5 and 6; Fort Wright 1, 2, 3, 4 and 5; Lakeside Park 1, 2 and 3; Park Hills 1, 2 and 3; and Sandfordtown.

(64) Sixty-fourth District: That part of Kenton County containing the following voting precincts: Bracht, Cherokee, Covington 26, 27, 29, 30, 40, 41, 42 and 43, Decoursey, Independence 1 and 2, Morningview, Nicholson, Oakridge, Piner, Richardson, Taylor Mill 1 and 2, Visalia, Whites Tower, Winston Park.

(65) Sixty-fifth District: That part of Kenton County containing the following voting precincts: Covington 12, 14, 15, 17, 18, 19, 20, 20A, 23, 24, 25, 31, 33, 34, 35, 36 and 39.

(66) Sixty-sixth District: That part of Kenton County containing the following voting precincts: Covington 6, 7, 10, 10A and 13, Bromley, Crescent Springs, Elsmere 1, 2 and 3, Erlanger 4, 5, 6, 8 and 9, Ludlow 1, 2, 3, 4 and 5, Villa Hills 1 and 2.

(67) Sixty-seventh District: That part of Campbell County containing all of the voting precincts in the city of Newport, the city of Wilder, the city of Southgate except voting precinct Southgate B; that part of Kenton County containing voting precincts Covington 1, 3.

(68) Sixty-eighth District: That part of Campbell County containing all the voting precincts in the city of Bellevue; all the voting precincts in the city of Dayton; voting precincts A, B, C, D, E, G, L and P in the city of Fort Thomas and the voting precincts of Woodlawn, Brent, Crestview, Silver Grove, Hayfield, Carthage, Camp Springs and Melbourne.

(69) Sixty-ninth District: That part of Campbell County not contained in the Sixty-seventh and Sixty-eighth Districts; that part of Pendleton County contained in the voting precincts of Bonar and Sandsuck.

(70) Seventieth District: Mason, Fleming and Robertson Counties; that part of Rowan County contained in census enumeration district 3 bounded by Bath County line, Triplett Creek, Morehead city limits, Kentucky Highway 32, Fleming County line.

(71) Seventy-first District: Morgan and Menifee Counties; that part of Rowan County not contained in the Seventieth District; the Northern part of Wolfe County bounded by Kentucky Highway 15, Campton City limits, Kentucky Highway 746, Mountain Parkway Extension, Morgan County line, Menifee County line, Powell County line, including the city of Campton.

(72) Seventy-second District: Bourbon County and that part of Fayette County not contained in the Seventy-fifth District, the Seventy-sixth, Seventy-seventh, Seventy-eighth and Seventy-ninth Districts.

(73) Seventy-third District: Clark and Powell Counties.

(74) Seventy-fourth District: Bath, Nicholas and Montgomery Counties.

(75) Seventy-fifth District: That part of Fayette County contained within the following described boundaries: Beginning at the intersection of South Broadway and Mason Headley Road; then with the center line of South Broadway in a northeastwardly direction to the intersection of South Broadway and Virginia Avenue; then in a northwestwardly direction with the western boundary of the Kentucky Trotting Horse Breeders Association property (Red Mile) to the Versailles Pike across from the intersection of Forbes Road; then in a generally northwardly direction with the center line of Forbes Road to its intersection with the Old Frankfort Pike to its intersection with Leestown Pike (West Main Street); then in a southeastwardly direction with the center line of West Main Street to its intersection with Newtown Pike; then in a northwestwardly direction with the center line of Newtown Pike to its intersection with West Fourth Street; then in a southeastwardly direction with the center line of West Fourth Street to the Louisville and Nashville Railroad Company crossing; then in a northeastwardly direction with the center line of the right-of-way of the Louisville and Nashville Railroad Company to its crossing of the Russell Cave Pike (Ky 353); then in a generally southwardly direction along the center line of the Russell Cave Pike to Louden Avenue; then in a southeastwardly direction with the center line of Louden Avenue to its intersection with Maple Avenue; then in a southeastwardly direction with the center line of Maple Avenue to its intersection with East Seventh Street and in a southeastwardly direction along the center line of East Seventh Street to its intersection with Shropshire; then in a southwestwardly direction with the center line of Shropshire Avenue to East Sixth Street

and in a northwestwardly direction with the center line of East Sixth Street to its intersection with Pemberton; then in a southwestwardly direction with the center line of Pemberton to its intersection with East Fifth Street; then in a southeastwardly direction with the center line of East Fifth Street to its intersection with Race Street and in a southwestwardly direction with the center line of Race Street to its intersection with East Third Street; then in a southeastwardly direction with the center line of East Third Street to its intersection with Walton Avenue; then in a southwestwardly direction with the center line of Walton Avenue to its intersection with East Main Street; then in a southeastwardly direction with the center line of East Main Street to its intersection with Irvine Road; then in a southwestwardly direction with the center line of Irvine Road to its intersection with Fontaine Road; then in a northwestwardly direction with the center line of Fontaine Road to its intersection with East High Street; then in a generally southwardly direction with the center line of East High Street to the northwest property line of Cassidy school; then following the property line of Cassidy school back to the southwest boundary of East High Street; then with the center line of East High Street to its intersection with Cooper Drive; then westwardly along the center line of Cooper Drive where it meets the eastern property boundary of the University of Kentucky Experimental Farm; then south around the property line of the University of Kentucky Experimental Farm to the western boundary where it meets Iroquois; then northwestwardly to the intersection of Iroquois and South Limestone; then southwardly along the center line of South Limestone to the intersection of Southland Drive; then northwestwardly along the center line of Southland Drive to the intersection of Southland Drive and Southview Drive; then southwestwardly along Southview Drive to the intersection of Southview Drive and Hollyhill Drive; then westwardly along the rear property line of Hollyhill Drive to the intersection of Hollyhill Drive and Clays Mill Road; then northwardly along the center line to the intersection of Clays Mill Road and South Broadway and with the center line of South Broadway to the Mason Headley Road, to the point of beginning.

(76) Seventy-sixth District: That part of Fayette County contained within the following boundaries: Beginning at the intersection of East Third Street and Race Street; then in a southeastwardly direction along the center line of East Third Street to its intersection with Walton Avenue; then in a southeastwardly direction with the center line of Walton Avenue to its intersection with East Main Street; then in a southeastwardly direction with the center line of East Main Street to its intersection with West Fairway Drive; then in a northeastwardly direction with the center line of West Fairway Drive to its intersection with Henry Clay Boulevard; then in a northeastwardly direction with the center line of Henry Clay Boulevard to its intersection with Menifee Avenue and in a southeastwardly direction with the center line of Menifee Avenue to a point in the southeast property line of Holiday Road; then in a southwestwardly direction with the southeast property line of Holiday Road to East Main Street; then in a southeastwardly direction with the center line of East Main Street to its intersection with New Circle Road (Ky 4); then in a generally northwardly direction along the center line of New Circle Road *to its intersection with Winchester Pike (US 60); then in a generally eastward direction with the center line of Winchester Pike to its intersection with Interstate 64-75* [through its intersection with Liberty Road and Winchester Pike to its intersection with the Louisville and Nashville Railroad right-of-way; then in a northeastwardly direction with the Louisville and Nashville Railroad right-of-way to the point where it underpasses Interstate 64-75]; then in a northwestwardly direction with the right-of-way of Interstate 64-75 to its overpass on the Russell Cave Pike (Ky 353); then in a southwestwardly direction with the center line of Russell Cave Pike to its intersection with the New Circle Road; then in a southeastwardly direction with the center line of New Circle Road to its intersection with the Old Paris Pike (North Limestone); then in a southwestwardly direction with the center line of North Limestone to its intersection with Carlisle Avenue; then in a southeastwardly direction along the center line of Carlisle Avenue to its intersection of Bryan Avenue; then in a southwestwardly direction with the center line of Bryan Avenue to its intersection with Louden Avenue; then in a southeastwardly direction with the center line of Louden Avenue to its intersection with Maple Avenue; then in a southwestwardly direction with the center line of Maple Avenue to East Seventh Street; then in a southeastwardly direction along the center line of East Seventh Street to Shropshire; then in a southwestwardly direction along the center line of Shropshire to East Sixth Street; then in a northwestwardly direction along the center line of East Sixth Street to Pemberton; then in a southwestwardly direction along the center line of Pemberton to East Sixth Street; then in a southeastwardly direction with the center line of East Fifth Street to Race Street; then in a southwestwardly direction along the center line of Race Street to its intersection with East Third Street, the point of beginning.

(77) Seventy-seventh District: That part of Fayette County contained within the following boundaries: Beginning at the intersection of the Versailles Road (US 60) and the New Circle Road (Ky 4); then with the New Circle Road in a generally northeastwardly direction to the following intersections: Old Frankfort Pike, Leestown Pike, Georgetown Pike, Newtown Pike, Russell Cave Pike and North Broadway to its intersection with the Old Paris Pike (North Limestone); then in a southwestwardly direction along the center line of North Limestone to Carlisle Avenue; then in a southeastwardly direction with the center line of Carlisle Avenue to Bryan Avenue; then in a southwestwardly direction with the center line of Bryan Avenue to its intersection with Louden Avenue and in a northwestwardly direction with the center line of Louden

Avenue to its intersection with Russell Cave Pike and in a generally northwardly direction with the center line of the Russell Cave Pike to the Louisville and Nashville Railroad crossing; then in a southwestwardly direction with the right-of-way with the Louisville and Nashville Railroad to West Fourth Street; then in a northwestwardly direction along the center line of West Fourth Street to the Newtown Pike and in a southwestwardly direction along the center line of the Newtown Pike to West Main Street; then in a northwestwardly direction with West Main Street (Leestown Pike) to Forbes Road; then in a southwestwardly direction along the center line of Forbes Road to the Versailles Road and across the Versailles Road and along the western property line of the Kentucky Trotting Horse Breeders Association (Red Mile) to South Broadway and in a southwestwardly direction along the center line of South Broadway to Clays Mill Road and continuing in a southwestwardly direction along the center line of Clays Mill Road to Longview Drive; then in a northwestwardly direction along the center line of Longview Drive to the Harrodsburg Road; then in a southwestwardly direction along the center line of the Harrodsburg Road to the New Circle Road and in a northwestwardly direction along the center line of New Circle Road to a point opposite the center line of Lansill Road and in a northeastwardly direction along the center line of Lansill Road to a point on the Lane Allen Road; then continuing in a northeastwardly direction along the center line of Traveller Road to the northwest property line of Antietam Road; then in a generally northwardly direction along the line between the rear property lines of Traveller Road and Alexandria Drive to the Parkers Mill Road; then continuing in a generally northwardly direction along the center line of the Parkers Mill Road to Versailles Road; then in a westwardly direction along the center line of Versailles Road to the New Circle Road, the point of beginning.

(78) Seventy-eighth District: That part of Fayette County contained within the following boundaries: Beginning on Versailles Pike (US 60) at the Woodford County line; then eastwardly with the center line of the Versailles Pike to the intersection with the New Circle Road, then continuing along the Versailles Pike to Parkers Mill Road; then in a generally southwardly direction along the center line of Parkers Mill Road and continuing in a southerly direction along the rear property lines of Traveller Road and Alexandria Drive to the northwestwardly property line of Antietam Road and in a southwestwardly direction with said property line of Antietam Road to the center line of Traveller Road and with the center line of Traveller Road to the Lane Allen Road; then in a southwestwardly direction to the center line of Lansill Road, continuing along the center line of Lansill Road and on to New Circle Road and in a southeastwardly direction along the center line of the New Circle Road to the Harrodsburg Road; then in a northeastwardly direction along the center line of Harrodsburg Road to its intersection with Longview Drive; then in a southeastwardly direction along the center line of Longview Drive to Clays Mill Road; then in a southwestwardly direction along Clays Mill Road to the intersection of Hollyhill Drive; then along the rear property line in a southeastwardly direction to Southview Drive; then northeastwardly along the center line of Southview Drive to the intersection of Southland Drive; then southeastwardly along the center line of Southland Drive to the intersection of Southland Drive and South Limestone; then northeastwardly to the intersection of Iroquois and South Limestone; then eastwardly along Iroquois to the western property line of the University of Kentucky Experimental Farm and along the southern boundaries of the University of Kentucky Experimental Farm property to the eastern boundary of the University of Kentucky Experimental Farm property where it meets Cooper Drive; then along the center line in a southeastwardly direction to the intersection of Cooper Drive and East High Street (Tates Creek Pike); then in a generally southerly direction along the center line of Tates Creek Pike to the Fayette County line; then along the Fayette County line in a generally northwestwardly direction to the Versailles Pike (US 60), the point of beginning.

(79) Seventy-ninth District: That part of the county of Fayette contained within the following boundaries: Beginning at the Kentucky River at the landing of Tates Creek Pike; then in a generally northwestwardly direction along the center line of the Tates Creek Pike (East High Street) to its intersection with Fontaine Road; then in a southeastwardly direction with the center line of Fontaine Road to its intersection with Irvine Road; then in a northeastwardly direction with the center line of Irvine Road to its intersection with East Main Street; then with the center line of East Main Street in a southeastwardly direction to its intersection with West Fairway Drive; then in a northeastwardly direction with the center line of East Fairway Drive to its intersection with Henry Clay Boulevard; then continuing in a northeastwardly direction with the center line of Henry Clay Road to its intersection with Menifee Avenue; then in a southeastwardly direction with the center line of Menifee Avenue to the southeast property line of Holiday Road; then in a southwestwardly direction with the southeast property line of Holiday Road to its intersection with East Main Street; then in a southeastwardly direction with the center line of East Main Street to its intersection with New Circle Road (Ky 4); then with the center line of New Circle Road *to its intersection with the Winchester Pike (US 60); then in a generally eastwardly direction with the center line of the Winchester Pike to its intersection with Interstate 64-75* [through its intersection with Liberty Road and Winchester Road to its intersection with the Louisville and Nashville Railroad right-of-way; then in a northeastwardly direction with the Louisville and Nashville Railroad to its underpass of Interstate 64-75]; then in a northwestwardly direction with the right-of-way of Interstate 64-75 to the Bryan Station Pike (Ky 956) and

in a northwestwardly direction along the center line of the Bryan Station Pike to the Muir Station Pike; then in a southeastwardly direction along center line of the Muir Station Pike to the Briar Hill Pike; then in a northeastwardly direction along the center line of the Briar Hill Pike to the Bourbon County line; then following the Fayette County line in a generally southerly direction to the Kentucky River and along the Kentucky River to the Tates Creek Pike, the point of beginning.

(80) Eightieth District: Lincoln and Rockcastle Counties and that part of Pulaski County contained within the following voting precincts: Eubank 25, Estesburg 26, Hazeldell 27, Good Hope 28 and Catron 31.

(81) Eighty-first District: That part of Madison County not contained in the Eighty-fourth District.

(82) Eighty-second District: Whitley County; that part of McCreary County contained within the county census division of Pine Knot bounded by: Blue Heron Road extended, Blue Heron Road, State Highway 742, U. S. Highway 27, Laurel Creek, Marsh Creek, Duck Run, county line, state line, South Fork Cumberland River; that part of McCreary County contained within the County Census Division of Cooperative bounded by: South Fork Cumberland River, state line, county line; that part of McCreary County contained within the county census division of Stearns bounded by: Lick Creek, Bridge Fork, Laurel Creek, U. S. Highway 27, State Highway 742, Blue Heron Road, Blue Heron Road extended, South Fork Cumberland River.

(83) Eighty-third District: That part of Pulaski County not contained in the Eightieth District.

(84) Eighty-fourth District: Estill and Jackson Counties and that part of Madison County contained in the city of Berea and in voting precincts 19 and 20.

(85) Eighty-fifth District: Laurel County and that part of McCreary County not contained in the Eighty-second District.

(86) Eighty-sixth District: Knox County; that part of Clay County contained in voting precincts 1, 8, 12, 13, 14, 15.

(87) Eighty-seventh District: Bell County and that part of Harlan County contained in voting precinct Pathfork 41.

(88) Eighty-eighth District: That part of Harlan County not contained in the Eighty-seventh and Ninetieth Districts.

(89) Eighty-ninth District: Breathitt and Lee Counties and that part of Wolfe County not contained in the Seventy-first District, and that part of Perry County contained in census county division of Big Creek, Blue Diamond Buckhorn, Yerkes-Busy and Krypton lying north and east of the following boundary: Leslie County line, Big Creek-Right Fork Divide, Buffalo Fork Big Creek-Buffalo Creek Divide, Brown's Fork-Buffalo Creek Divide, Messer Branch-Davidson Branch Divide, Happy Hollow, Hazard City limits, Walker Branch-North Fork Kentucky River Divide; Laurel Fork-Lost Creek-First Creek Divide, Sixteenmile Creek-Lower Second Creek Divide, Lost Creek, Grapevine Creek Divide, Tenmile Creek-Grapevine Creek Divide, Breathitt County line, Owsley County line, and Clay County line.

(90) Ninetieth District: Leslie and Owsley Counties, and that part of Harlan County contained in the voting precincts of Pine Mountain-Big Laurel No. 11, Bledsoe No. 12, New Baxter No. 9, Old Baxter No. 8, School House Loyall No. 35, City Hall Loyall No. 34, Rio Vista No. 36, and Putney No. 10, and that part of Clay County contained in voting precincts 2, 3, 4, 5, 6, 7, 9, 10, 11.

(91) Ninety-first District: That part of Perry County not contained in the Eighty-ninth district, and that part of Letcher County not contained in the Ninety-second District.

(92) Ninety-second District: Knott and Magoffin Counties; that part of Letcher County contained in census county division of Blackey, Colson, Fleming-Neon, and census enumeration districts 21 and 22, lying northwest of the following boundary: Perry County line, Turkey Creek-Defeated Creek Divide, Whittaker Branch Road, Tolson Branch Road, Kentucky Highway 588, Mills Branch Road, Mills Branch Spur Road, Rockhouse Creek-Smoot Creek Divide, Kentucky Highway 15, Smoot Creek-Dry Fork Divide, Rockhouse Creek-North Fork Kentucky River Divide, Millstone Creek Road, Kentucky Highway 803, State Highway 113, North Fork Kentucky River, U. S. Highway 119, Seco city limits, U.S. Highway 119, Jenkins city limits, McRoberts city limits, Fleming city limits, and from Hemphill-Jackhorn P.O. due north to Pike County line, including the cities of Seco and Fleming.

(93) Ninety-third District: That part of Pike County contained in voting precincts Caney 20, Yeager 21, Old Shelby 22, Long Fork 23, Dorton 24 and Elmwood in district 2; Marrowbone 30, Rockhouse 31, Henry Clay 32, Hellier 33, Ashcamp 34 and Rasnick 35 in district 3; Millard 40, Lick Creek 42, Grapevine 43, and Garden Village 46 in district 4; Raccoon 51 in district 5; Peter 70, Blackberry 71, Knox 72, Freeburn-Cline 73, Wolford 74, Bluesprings 75, Majestic 76 in district 7; Mouthcard 80, Upper Elkhorn 81, Elkhorn City Hall 82, Belcher 83, Feds Creek 84, Looney 85 in district 8.

(94) Ninety-fourth District: That part of Pike County not contained in the Ninety-third District; that part of Floyd County not contained in the Ninety-fifth District.

(95) Ninety-fifth District: Floyd County except for the voting precincts Herold, Toler Creek, Antioch, Branhams Creek, Head of Mud, Tickey.

(96) Ninety-sixth District: Carter and Lewis Counties.

(97) Ninety-seventh District: Johnson and Martin Counties, and that part of Lawrence County contained in voting precincts 7, 9, 10, 11, 12, 13 and 14.

(98) Ninety-eighth District: That part of Greenup County not contained in the Ninety-ninth District.

(99) Ninety-ninth District: Elliott County; that part of Lawrence County contained in voting precincts 1, 2, 3, 4, 5, 6 and 8; that part of Boyd County containing the following voting precincts: Court House 1, City Building 2, Argo 3, Hampton 4, Rockdale 5, England Hill 7, Durbin 8, East Fork 9, Cannonsburg 10, Princess 11, Garner 12, Hoods Creek 13, Fairview 14, Buckley 15, Westwood 16, Millseat 17; that part of Greenup County contained in census enumeration district 10, known as Bellefonte City, bounded by county line, Country Club Drive (State Highway 693) to its junction with State Highway 1725, then southeasterly to the county line.

(100) One hundredth District: That part of Boyd County not contained in the Ninety-ninth District.

HB 631, AN ACT relating to state personnel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 18.110 TO 18.360 IS CREATED TO READ AS FOLLOWS:

(1) As used in this Act, the term "career employe" shall mean a state employe with twenty (20) or more years of permanent full-time state service, or the part-time employment equivalent of at least twenty (20) years of full-time state service. The service may have been in the classified service, the unclassified service, or a combination thereof.

(2) Section 2 of this Act shall not apply to a career employe who has become eligible for full, unreduced retirement benefits in a state-administered retirement system.

SECTION 2. A NEW SECTION OF KRS 18.110 TO 18.360 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in subsection (2) of Section 1 of this Act, a career employe whose employment is terminated on or after January 1, 1980 by dismissal, resignation or lay-off, other than for cause, shall, upon his written request, be reemployed or placed on reemployment lists in accordance with this section.

(2) If the career employe has previously attained status in a position in the classified service, he shall be offered employment in a position for which he is qualified and which is at least equal in pay grade and step to the current pay grade and step of the highest-salaried position in the classified service in which he previously attained status.

(3) If the career employe has not previously attained status in the classified service or if he has attained status but no vacancy exists in a position to which subsection (2) of this section applies, the employe shall be placed on reemployment lists for any positions for which he is qualified.

(4) A career employe's qualifications for positions shall, for the purposes of this section, be determined without the administration of written or oral examinations to the employe.

(5) Any career employe who is not reemployed or placed on reemployment lists in accordance with this section within thirty (30) days after his written request for such action may appeal the penalization in accordance with KRS 18.270 to 18.272, regardless of whether he last served in the classified or unclassified service.

SECTION 3. A NEW SECTION OF KRS 18.110 to 18.360 IS CREATED TO READ AS FOLLOWS:

No vacancy in a position in the state classified service shall be filled from a competitive register until all employes whose names appear on any reemployment list for the vacant position have been given full consideration for reemployment and have either been reemployed in another position in the state service or have declined to accept appointment to the vacant position.

The Committee Substitute to **HB 631** is as follows:

Committee Substitute for **HB 631,** AN ACT relating to state personnel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 18.110 TO 18.360 IS CREATED TO READ AS FOLLOWS:

(1) As used in this Act, the term "career employe" shall mean a state employe with twenty (20) or more years of permanent full-time state service, or the part-time employment equivalent of at least twenty (20) years of full-time state service. The service may have been in the classified service, the unclassified service, or a combination thereof.

(2) Section 2 of this Act shall not apply to a career employe who has become eligible for full, unreduced retirement benefits in a state-administered retirement system.

SECTION 2. A NEW SECTION OF KRS 18.110 TO 18.360 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in subsection (2) of Section 1 of this Act, a career employe whose employment is terminated on or after January 1, 1980 by dismissal, resignation or lay-off, other than for cause, shall, upon his written request, be reemployed or placed on reemployment lists in accordance with this section.

(2) If the career employe has previously attained status in a position in the classified service, he shall be offered employment in a position for which he is qualified and which is at least equal in pay grade and step to the current pay grade and step of the highest-salaried position in the classified service in which he previously attained status.

(3) If the career employe has not previously attained status in the classified service or if he has attained status but no vacancy exists in a position to which subsection (2) of this section applies, the employe shall be placed on reemployment lists for any positions for which he is qualified.

(4) A career employe's qualifications for positions shall, for the purposes of this section, be determined without the administration of written or oral examinations to the employe.

(5) A career employe shall not be required to complete any period of probation in the position to which he is initially appointed or in which he is initially reemployed pursuant to subsection (2) of this section or Section 3 of this Act. A career employe shall not be required to complete an examination for initial appointment or reemployment under this Act if he has previously served in the class of positions in which he is appointed or reemployed.

(6) The commissioner of personnel may revoke a career employe's status in the classified service for cause. The commissioner shall furnish the career employe with a written statement of the specific reasons for revoking his status within ten (10) days following the commissioner's decision. The career employe may appeal the commissioner's action under this subsection in accordance with KRS 18.270 to 18.272. For the purposes of this subsection, the term "appointing authority" as used in KRS 18.270 and KRS 18.272 shall mean the commissioner of personnel.

SECTION 3. A NEW SECTION OF KRS 18.110 TO 18.360 IS CREATED TO READ AS FOLLOWS:

(1) Any employe with status who has resigned, been dismissed or laid-off, other than for cause, shall have first priority for consideration in filling any vacancy in the classified service for which he is qualified. Such status employe shall notify the department of personnel in writing that he desires reemployment in order to be placed on reemployment lists.

(2) If more than one (1) employe with status who has resigned, been dismissed or laid-off, other than for cause, desires reemployment in any job classification, the department of personnel shall certify all such qualified employes in the order of their seniority in appointive positions in the state service, whether the service was in classified or unclassified positions.

(3) No vacancy may be filled from a competitive register until all qualified, employes with status who have resigned, been dismissed or laid-off, other than for cause, who are seeking to fill the vacancy, have been given full consideration for reemployment in the position in the order of their certification. An appointing authority may refuse to reemploy a qualified employe with status and with seniority among those on the reemployment list only for cause. The commissioner of personnel and the employe shall be furnished with a written statement of the specific reasons for the refusal within ten (10) days following the appointing authority's refusal. The employe may appeal the appointing authority's action in accordance with KRS 18.270 to 18.272.

Section 4. KRS 18.110 is amended to read as follows:

As used in KRS 18.110 to 18.360, unless the context indicates otherwise:

(1) "Appointing officer" means the officer or employe or group of officers or employes authorized by law to make appointments;

(2) "Board" means the personnel board created by KRS 18.160;

(3) "Certification" means the referral of the name of one or more qualified prospective employes by the commissioner of personnel on request of an appointing officer for consideration in filling a position in the classified service;

(4) "Class" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill, and such other characteristics that the same title, the same tests of fitness, and the same schedule of compensation have been or may be applied to each position in the group;

(5) "Classified service" includes all the employment subject to the terms of this chapter except for those positions expressly cited in KRS 18.140; a "classified position" is a position in the classified service;

(6) "Demotion" means a change in the rank of an employe from a position in one (1) class to a position in another class having a lower minimum salary range and less discretion or responsibility;

(7) "Department" means the department of personnel provided for in KRS 18.160 unless the context indicates otherwise;

(8) "Eligible" refers to a person who has made a passing score on any examination required under KRS 18.110 to 18.360 and who has qualified to be placed on a register;

(9) "Emergency employe" means an employe appointed without regard to the examination requirements of KRS 18.110 to 18.360 to any position by reason of a governmental emergency, whose appointment is not to exceed thirty (30) working days in duration and is nonrenewable;

(10) "Employe" means a person regularly appointed to a position in the state service for which he is compensated on a full-time or part-time basis;

(11) "Position" means an office or employment in an agency (whether part-time, full-time, permanent, temporary, seasonal, federally funded time-limited, or emergency, occupied or vacant) involving duties requiring the services of one (1) person;

(12) "Probation" means the period of service following appointment to any position under KRS 18.110 to 18.360 which requires special observation and evaluation of an employe's work and which must be passed successfully before status may be conferred as provided in KRS 18.210. An employe serving the probationary period is known as a "probationary employe";

(13) "Promotion" means a change of rank of an employe from a position in one (1) class to a position in another class having a higher minimum salary and carrying a greater scope of discretion or responsibility;

(14) "Provisional employe" means any employe appointed on a temporary or interim basis to a permanent position under KRS 18.110 to 18.360 without examination, such appointment being made necessary by the absence of a register for the position involved and by the time limitations and prohibition on renewal as defined in KRS 18.210;

(15) "Re-employment list" means the separate list of names of persons reduced in force by reason of lack of appropriations, curtailment of program or abolishment of position or of organizational unit, and through no fault of their own, who have requested the opportunity for further consideration of state employment. Re-employment lists are used as provided in KRS 18.210 *and subject to Sections 2 and 3 of this Act*;

(16) "Register" means any official list of eligibles for a particular class placed in rank order according to the examination records, maintained for use in making original appointments or promotions to positions in the classified service;

(17) "Status" means the acquisition of tenure with all rights and privileges appertaining thereunto after satisfactory completion of the probationary period by an employe in the classified service;

(18) A "temporary position" is one created for a defined period of time not to exceed six (6) months and not renewable; a "temporary employe" is one (1) appointed to such a temporary position. A "seasonal position," although temporary in duration in the foregoing sense, coincides in duration with a particular season or seasons of the year, but may not exceed eleven (11) months duration, and may recur regularly from year to year; a "seasonal employe" is one appointed to such a seasonal position from an existing eligible list or without reference to an eligible list;

(19) A "federally funded time-limited position" is one created for the specific purpose of providing public service employment or one-time special or research project services for a limited period of time and shall not exceed the period of time for which that specific federal funding is provided. A "federally funded time-limited" employe is one appointed to such position and, except as provided in KRS 18.140, may in all other respects be entitled to the benefits provided permanent, full-time regular employes as defined in KRS 18.110 to 18.360;

(20) "Transfer" means a movement of any employe from one (1) position to another of the same grade having the same salary ranges and the same level of responsibility within the classified service;

(21) A "war veteran" is a person who served on active duty in the United States armed forces during any war, or in a campaign or expedition for which a campaign badge or service medal has been authorized, or between April 28, 1952, and July 1, 1955.

HB 695, AN ACT relating to building code officials.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.040 is amended to read as follows:

The Kentucky board of housing, buildings and construction shall have the following general powers and duties:

(1) To conduct or cause to be conducted studies to determine the needs of the building industry of Kentucky;

(2) To conduct or cause to be conducted or participate in studies of the costs of the various factors of building construction and use of buildings, and to recommend programs and procedures which will minimize the cost of buildings, including the use of energy, while maintaining safety, durability and comfort;

(3) To administer regulatory legislation relating to buildings and construction;

(4) To assume administrative coordination of the various state construction review programs and to cooperate with various federal, state and local agencies in the programs as they relate to buildings and construction;

(5) To assume administration and coordination of various state housing programs to include:

(a) Devising and implementing procedures, in conjunction with the department of local government, for attaining and maintaining an accurate count of the housing inventory in Kentucky, including information on the age, physical condition, size, facilities and amenities of such housing, and housing constructed and demolished each year;

(b) Designing programs coordinating the elements of housing finance, production, maintenance and rehabilitation for the purpose of assuring the availability of safe, adequate housing in a healthful environment for all Kentucky citizens;

(c) Establishing or causing to be established public information and educational programs relating to housing, to include informing Kentucky citizens about housing and housing related programs that are available on all levels of government;

(d) Designing and administering, or participating in the design and administration of educational programs to prepare low income families for home ownership, and counseling them during their early years as homeowners;

(e) Promoting educational programs to assist sponsors in the development and management of low and moderate income housing for sale or rental;

(f) Cooperating with various federal, state and local agencies in their programs as they relate to housing;

(g) Conducting or causing to be conducted studies to determine the housing preferences of Kentucky citizens and the present and future housing requirements of the state;

(6) To recommend state building industry policies and goals to the Kentucky general assembly;

(7) To adopt and promulgate a mandatory uniform state building code, and parts thereof, which shall establish standards for the construction of all buildings, as defined in KRS 198B.010, in the state;

(8) To issue regulations providing for the proper construction of public water purification plants, other than the water treatment equipment and systems in such plants, provided, however, that any such regulations must require that applications for permits to build public water purification plants will be submitted by the department to the department for natural resources and environmental protection for that department's comments. Any such regulations shall require the department for natural resources' comments to be completed and submitted to the department within sixty (60) days;

(9) To issue regulations providing for the proper construction of sewage treatment plants, other than the sewage treatment equipment and systems in such plants, provided, however, that any such regulations must require that applications for permits to build public sewage treatment plants will be submitted by the department to the department for natural resources and environmental protection for that department's comments. Any such regulations shall require the department for natural resources' comments to be completed and submitted to the department within sixty (60) days; [and]

(10) To issue regulations for the safe installation and operation of plumbing and plumbing fixtures*; and*

(11) To promulgate regulations establishing mandatory requirements for the qualification of building code officials.

Motions, Petitions, and Communications (continued)

Speaker Pro Tempore Hancock presiding.

Representative Jones moved the adoption of the following Legislative Citation No. 55:

The House of Representatives of the Commonwealth of Kentucky hereby extends our congratulations and appreciation to Mrs. Mary Thomas Kring, Ghent, Kentucky on your ninety-first birthday, March 3, 1980. Your unselfish and life-long devotion to your church, community, family and friends has been a source of inspiration and joy to all who have known you. Your nine children, twenty-five grandchildren, twelve great grandchildren and a host of friends join the members of this body in saluting you and extending to you our sincere best wishes for continued health and happiness in the years to come. (Sponsored by Representative Jones)

Agreed.

The Speaker announced the appointment of the following Conference Committee on **HB 122:** Representative Thomason, Chairman; Representatives Bruce and Morris.

The Speaker announced the appointment of the following Conference Committee on **HB 150:** Representative Weinberg, Chairman; Representatives Hines and Lundergan.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Lewis, **HCR 87;** Representative Thomas, **HB 53, HB 953, HB 970, HB 74, HB 442, HB 444, HB 811, HB 552, HB 130, HB 942, HB 231, HB 690,** and **HB 317;** Representative Yates, **HB 927.**

The following meetings were announced:

Judiciary: Friday, 9:30 a.m., Room 211.

Natural Resources and Environment: Friday, 9:00 a.m., Room A.

Cities: Friday, 9:00 a.m., State Reception Room

Banking and Industry: Friday, 9:00 a.m., Room 246.

Transportation: Friday, 8:30 a.m., Room 316.

Counties and Special Districts: Friday, 9:00 a.m., Room 9.

Representative McBee moved that he be recorded as voting "yea" on **HB 306.** Agreed.

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 1 to **SB 41,** by Representative McNutt, is as follows:

Amend printed copy of **SB 41,** page 1, line 19, after the end of Section 2, insert the following new section and renumber the existing Section 3 accordingly:

Section 3. KRS 104.030 is amended to read as follows:

(1) For the purpose of protecting property within and beyond their limits from floods or high water, cities of all classes are authorized [and empowered] to *extend* [establish] a flood control system *outside the city boundaries* by constructing, enlarging, extending, equipping, maintaining and operating walls or other barriers with necessary appurtenances and equipment [either within or] beyond the boundaries of the city.

(2) For that purpose every city may acquire all necessary and convenient land, rights of way and other property therefor by gift, purchase or condemnation, and cause the walls or barriers and their appurtenances and equipment to be erected, maintained and operated [as provided in KRS 104.040 to 104.160. The cost thereof may be met and paid (a) by the issuance of bonds of the city as voted by the citizens thereof, or (b) by assessments made upon the property benefited by such construction for the satisfaction of bonds issued therefor, or (c) by a combination of both plans as the governing authority may determine]. The city is authorized to accept upon such terms as the governing authority may deem necessary or appropriate any gift, contribution or allotment of money or property by the government of the United States or any of its agencies or by any individual or corporation.

And on page 14, delete in their entirety, lines 25 and 26, continuing on to page 15, line 1.

Floor Amendment No. 2 to the Committee Substitute to **SB 41,** by Representative Van Horn, is as follows:

Amend printed copy of Committee Substitute for **SB 41,** page 13, by deleting all of lines 11 and 12.

Floor Amendment No. 3 to the Committee Substitute to **SB 41,** by Representative Van Horn, is as follows:

Amend printed copy of Committee Substitute for **SB 41,** page 13, by deleting all of lines 11 through 18.

Floor Amendment No. 4 to the Committee Substitute to **SB 41,** by Representative Van Horn, is as follows:

Amend printed copy of Committee Substitute for **SB 41,** page 1, line 21, by adding after the word "Chapter" the words "95 and".

Floor Amendment No. 5 to the Committee Substitute to **SB 41,** by Representative Van Horn, is as follows:

Amend printed copy of Committee Substitute for **SB 41,** page 1, line 21, by adding after the word "Chapter" the words "95 and"; and on page 13, lines 11 through 18, by deleting all of lines 11 through 18.

Floor Amendment No. 2 to **SB 26,** by Representative Van Horn, is as follows:

Amend printed copy of **SB 26,** page 52, lines 21 through 26, by deleting lines 21 through 26; and page 53, lines 1 through 4, by deleting lines 1 through 4.

Floor Amendment No. 3 to the Floor Amendment No. 2 to the Second Committee Substitute to **HB 147,** by Representative B. Richardson, is as follows:

Amend printed copy of floor amendment #2 to Second Committee Substitute for **HB 147,** on page 1, in "Section 1", on line 3 of Subsection "(3)" by deleting the words "Secretary of Finance", and inserting in lieu thereof the word "Governor";

On page 2, in line 3 of "Section 4", by deleting "BAA", and inserting in lieu thereof "A"; and

On page 3, by deleting "Section 6" in its entirety.

Floor Amendment No. 1 to **HB 681,** by Representative Farrow, is as follows:

Amend printed copy of **HB 681,** page 1, line 15, by deleting the word "may" and inserting in lieu thereof the word "shall"; and on page 2, line 19, by deleting the word "may" and inserting in lieu thereof the word "shall".

Floor Amendment No. 1 to the Committee Substitute to **HB 490,** by Representative Brown, is as follows:

Amend printed copy of Committee Substitute for **HB 490,** page 3, after line 16, by adding the following new section:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 279 IS CREATED TO READ AS FOLLOWS:

A telephone cooperative which provides service to a service area, whereby some locations are able to call all points in the service area without toll, shall extend such calling privileges to all locations within the service area."

Floor Amendment No. 1 to **SB 118,** by Representative Clarke, is as follows:

Amend printed copy of **SB 118,** page 1, line 17, by deleting lines 17 thru 21; and on page 2, by deleting lines 1 thru 11.

Floor Amendment No. 2 to the Second Committee Substitute to **HB 53,** by Representative Priddy, is as follows:

Amend printed copy of Second Committee Substitute for **HB 53,** page 1, line 16, by inserting the word "intentionally" after the word shall and before the word sell.

Floor Amendment No. 1 to the Committee Substitute to **HB 669,** by Representative DeMarcus, is as follows:

Amend printed copy of Committee Substitute for **HB 669,** page 10, line 7, by adding the words:

"SECTION 5. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 19, IS CREATED TO READ AS FOLLOWS:

All monies earned by bank or savings and loan association employees on credit life insurance shall go to the institutions which employ them."

Floor Amendment No. 6 to **SB 41,** by Representatives Priddy and DeFalaise, is as follows:

Amend printed copy of **SB 41,** page 18, after line 1, insert the following new sections to read as follows:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

The boundaries of cities shall remain as established by law until changed as provided in KRS Chapter 81. The legislative body of any city may annex any unincorporated territory or reduce the boundaries of the city under the provisions of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

Any city exercising authority under Section 4 of this Act shall make plans for the extension of services to the area proposed to be annexed and shall, prior to the public hearings provided for in Section 8 of this Act, prepare a report setting forth such plans. The report shall include:

(1) A map of the city and adjacent territory to show the following information:

(a) The present and proposed boundaries of the city;

(b) The present streets, major trunk water mains, sewer interceptors and outfalls as well as other utility lines;

(c) The present areas receiving, or able to receive, major city services, and the proposed extension of such services to other areas; and

(d) The prevailing general land use patterns existing in the area to be annexed.

(2) A statement showing that the area to be annexed meets the requirements of Section 6 of this Act.

(3) A statement setting forth the plans of the city for extending to the area to be annexed each major city service owned by the city or subsidized through city tax revenues and performed within the city at the time of annexation. Such statement shall:

(a) Provide for extending police and fire protection, garbage collection, and street maintenance services to the area to be annexed on the date of annexation, on substantially the same basis and in the same manner as such services are provided within the boundaries of the city prior to annexation;

(b) Provide for extension, into the area to be annexed, of streets and of major trunk water mains, sewer outfall lines, and lines for such utility services as the city provides to existing city residents and legally may provide in the annexed area, so that when such streets and utility lines are constructed, property owners in the area to be annexed will be able to secure the services, according to the policies in effect in the city for extending the services to individual lots or subdivisions; and shall name the government proposed to be responsible under the plans for any streets or roads which abut or form a boundary of the area to be annexed;

(c) Set forth a proposed timetable for the extension of, and if necessary, the construction for each major city service;

(d) Set forth a projected estimation of tax rates pursuant to Section 11 of this Act to be levied by the city upon the area to be annexed and affected residents of that area for each year until such time that all major city services have been provided; and

(e) Set forth the method under which the city plans to finance extension of services into the area to be annexed.

SECTION 6. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) A city legislative body may extend the city's boundaries to include any area:

(a) Which is adjacent or contiguous to the city's boundaries at the time the annexation proceeding is begun; and

(b) Which by reason of population density, commercial, industrial, institutional or governmental use of land, or subdivision of land, is urban in character or suitable for development for urban purposes without unreasonable delay.

(2) No part of the area to be annexed shall be included within the boundary of another incorporated city, except as provided by law, but may be included within the boundary of another county.

(3) If a city is considering the annexation of two (2) or more areas which are all adjacent to the city boundary but are not adjacent to one another, it may undertake simultaneous proceedings under authority of Section 4 of this Act for the annexation of such areas.

SECTION 7. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) Any city legislative body desiring to annex territory shall first pass an ordinance stating the intent of the city to consider annexation. The ordinance shall also specify the following:

(a) A summary of the report which is required by Section 5 of this Act;

(b) A statement setting forth its findings that the area meets the standards of Section 6 of this Act;

(c) The date, time and place for public hearings on the question of annexation, the date to be not less than thirty (30) days nor more than sixty (60) days following the passage of the ordinance; and

(d) A statement that the report required in Section 5 of this Act will be available for inspection at least thirty (30) days prior to the date of the first public hearing and where it will be available.

SECTION 8. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) At least two (2) public hearings shall be held on the proposed annexation after the passage of an ordinance pursuant to Section 7 of this Act. Additional hearings may be held. Notice of such hearings shall be published in accordance with KRS Chapter 424.

(2) The hearings held pursuant to this section shall provide an opportunity to be heard to all persons residing or owning property in the area described in the notice of the public hearing, and to all residents of the city.

(3) At each public hearing, a representative of the city shall make an explanation of the report required in Section 5 of this Act. Such explanation shall be as detailed as necessary so as to convey an accurate and definitive report.

(4) The city legislative body shall take into consideration facts presented at the public hearings and shall have authority to amend the report required by Section 5 of this Act and to make changes in the plans for serving the area proposed to be annexed so long as such changes meet the requirements of Section 6 of this Act. If any amendment or change is approved by the city legislative body, another hearing shall be held to provide any person residing or owning property in the area to be annexed or any resident of the city an opportunity to be heard on the amendment or amendments. Such hearing shall be held not later than thirty (30) days after the city legislative body approves the amendment. Notice of such hearing shall be published in accordance with KRS Chapter 424.

SECTION 9. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) At any meeting of the city legislative body which occurs not sooner than thirty (30) days nor later than sixty (60) days following the last public hearing, the city legislative body may adopt an ordinance extending the corporate limits of the city to include all, or part, of the area described in the notice of the public hearing or, if there has been any amendment to such description, that described in the amendment. The area described shall meet the requirements of Section 6 of this Act. The ordinance shall be adopted by a two-thirds vote of the legislative body. The ordinance shall:

(a) Contain a statement of the intent of the city to provide services to the area being annexed as set forth in the report required by Section 5 of this Act.

(b) Contain specific findings showing that the area to be annexed meets the requirements of Section 6 of this Act. The external boundaries of the area to be annexed shall be described by metes and bounds. The city legislative body may also refer to the boundaries set forth on a map of the area and incorporate the same by reference as a part of the ordinance;

(c) Contain a specific finding that on the effective date of annexation the city will have the means to provide by assessment, appropriation or otherwise for the services as specified in Section 5 of this Act;

(d) Contain a statement specifying the city tax rates that will be levied for the next tax year upon the affected residents and property which is to be annexed; and

(e) Fix the effective date of annexation. The effective date of annexation may be fixed for any date within twelve (12) months from the date of passage of the ordinance except within the first sixty (60) days.

(2) The ordinance of annexation shall be published in accordance with the provisions of KRS Chapter 424.

(3) From and after the effective date of the annexation ordinance, the territory in the affected area and its residents and property shall be subject to all laws, ordinances and regulations in force in such city and shall be entitled to the same privileges and benefits as other parts of such city.

SECTION 10. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) If following the publication of an annexation ordinance under authority of Section 9 of this Act and within sixty (60) days thereof, fifty percent (50%) of the resident voters or owners of real property within the limits of the territory proposed to be annexed petition the mayor in opposition to the proposal, an election shall be held at the next regular election occurring at least sixty (60) days after the petition is presented to the county clerk.

(2) The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, or if such territory is located in more than one (1) county, to the county clerks of such counties, who shall have printed on the ballot provided for use in each precinct embraced in whole or in part within the territory proposed to be annexed the question: "Are you in favor of being annexed to the City of __________?" If only a part of any precinct is embraced within

the territory proposed to be annexed only persons who reside within the territory proposed to be annexed shall be permitted to vote. The clerk shall cause the sheriff or sheriffs to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex.

(3) If one-half (½) or more of the registered voters in the area to be annexed vote in favor of annexation, such territory shall become a part of the city as provided in subsection (3) of Section 6 of this Act.

(4) If less than one-half (½) of the registered voters in the area to be annexed vote in favor of annexation, the ordinance proposing annexation shall become ineffective for any purpose.

SECTION 11. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) A city shall tax property within the annexed area only in such amount as is commensurate with city services or facilities actually made available to the residents or property of the affected area including continuation of services provided prior to annexation.

(2) If services available from the city have been provided prior to annexation from another source in the annexed area, the city shall not tax for such services unless they are actually provided by the city as a lawful replacement for existing services.

SECTION 12. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) A city may reduce its boundaries by ordinance in accordance with this section.

(2) Area may be excluded from a city by a reduction of boundaries only if:

(a) The area does not need urban governmental services, or it can better obtain those services from another source;

(b) The reduction will not result in a substantial economic waste of the city's facilities in the area; and

(c) The retention of the area is not essential to the continued prosperity of the city or the reduction would best serve the needs and interests of the community as a whole with respect to government in urban territory.

(3) If following the publication of a reduction ordinance under the authority of Section 4 of this Act, fifty percent (50%) of the resident voters or owners of real property within the limits of the territory proposed to be reduced oppose the reduction ordinance, an election shall be held in accordance with the provisions of Section 10 of this Act.

SECTION 13. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

Whenever the limits of a city are enlarged or reduced, the city shall cause an accurate map of the annexed or severed area with a metes and bounds description, together with a copy of the ordinance duly certified, to be recorded in the office of the county clerk of the county or counties in which the city is located and in the office of the secretary of state.

SECTION 14. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall apply in any annexation proceeding in which the annexing city has not adopted a final annexation ordinance by the effective date of this Act.

SECTION 15. The following sections of the KRS are repealed:

81.100 Annexation of unincorporated territory or reduction of territory by first-class city.

81.110 Protest against annexation of unincorporated territory or reduction of territory by first-class city — Trial — Judgment.

81.140 Annexation of unincorporated territory or reduction of territory by second-class city.

81.145 Election on annexation of unincorporated territory by a city of the second class in a county containing a city of the second and third class.

81.180 Second-class city to divide annexed territory into wards — Right of electors in annexed territory.

81.190 Annexation or reduction of territory by third-class city.

81.210 Annexation or reduction of territory by fourth-class city.

81.220 Protest against annexation by fourth-class city — Trial — Judgment.

81.230 Annexation or reduction of territory by fifth-class city.

81.240 Annexation or reduction of territory by sixth-class city.

81.250 Fifth or sixth-class city takes over rights and liabilities of city annexed.

81.260 Liability of property owners in territory annexed to sixth-class city for debts of city incurred before annexation.

81.270 Resubmission of proposal for annexation or reduction by city of any class when first proposal is denied by court or defeated by voters.

81.296 Publication of ordinance."

Floor Amendment No. 1 to **SB 59,** by Representative Tobin, is as follows:

Amend printed copy of **SB 59,** page 2, line 20, by deleting the word "*twenty-one (21)*" and by inserting in lieu thereof the word "*nineteen (19)*"

Floor Amendment No. 2 to **SB 59,** by Representative Mann, is as follows:

Amend printed copy of **SB 59,** page 7, after line 19, by adding:

Section 2. In any case in which a juvenile could receive a sentence resulting in detention, the juvenile shall have a right to counsel and the court, upon request by either the juvenile or the parents, shall appoint the public defender to represent him, in the event neither the juvenile nor his parents can afford to employ counsel or in the event the juveniles parents refuse to employ counsel.

Adjournment

Representative B. Richardson moved that the House adjourn until 10:00 a.m., Friday, March 14, 1980.

On the roll call the vote was yeas 52-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Cawood, Clark, Craddock, Crupper, Cyrus, DeFalaise, Donnermeyer, Ellington, Farrow, Freibert, Gray, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Mann, McBee, Moberly, Morris, Nett, Noe, Pearman, Petty, Priddy, B. Richardson, P. Richardson, Schmidt, Smith, Stumbo, Thomas, Turner, Wilborn, Williams, Worthington, Yates. Nays 3-Davenport, Dunn, Van Horn.

The motion to adjourn was adopted.

FRIDAY, MARCH 14, 1980

FORTY-FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Brother Phillip Majors, Dry Ridge Baptist Church, Dry Ridge, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Allen, Cawood, Maynard, Tobin and Williams.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Isler moved that the reading of the Journal of March 13, 1980, be dispensed with and the same approved. Agreed.

Introduction of Resolution

HR 115, by Representative Mann: A RESOLUTION urging the energy committee during the interim to study alternatives which could alleviate the severe impact of energy costs on lower income families and encourage energy conservation.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **SB 141, SB 19.**

Counties and Special Districts: **SB 210, SB 235.**

Energy: **SR 54.**

Health and Welfare: **SB 37, SB 66.**

State Government: **SR 49.**

Transportation: **HR 114.**

Report of Committees

The Committee on Rules reported **HB 14, HB 340, HB 347, HB 437, HB 451, HB 468, HB 487, HB 548, HB 708, HB 816, HB 818, HB 838, HB 839, HB 850, HB 911, HCR 66, SB 45, SB 135, SB 170,** and **SB 172** have been posted for passage in Orders of the Day, March 17, 1980.

The Committee on Rules reported the following Bills have been recommitted.

SB 33 to the Committee on State Government.

SB 39 to the Committee on Appropriations and Revenue.

HB 473 to the Committee on Agriculture and Small Business.

HB 531 to the Committee on Counties and Special Districts.

HB 563 to the Committee on Counties and Special Districts.

Report on Enrolled Bills

HB 315, HB 359, and **HCR 4** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Energy: **HB 899, HCR 112, HR 113, SB 217, SB 222.**

Counties and Special Districts: **HB 939.**

The Clerk announced **HB 549** has been withdrawn from consideration by the Committee on Counties and Special Districts.

Report of Committees (continued)

The Committee on Cities reported **HB 955, HB 918,** and **HB 875** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 955, AN ACT relating to advertising devices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.880 is amended to read as follows:
Nothing in KRS 177.830 to 177.890 shall be construed to abrogate or affect the provisions of any municipal ordinance, regulation or resolution which is more restrictive concerning advertising devices than the provisions of KRS 177.830 to 177.890 or of the regulations adopted here under*; provided that no city, county or urban-county government and no commission, agency or department of any of the foregoing, or any person acting under authority directly or indirectly conferred by any municipal ordinance, regulation or resolution shall have any authority to require any sign or other advertising device which is within its jurisdiction, which was lawfully erected or installed and which is maintained in good repair to be removed without payment of just compensation as provided under KRS 177.867(2).*

HB 918, AN ACT changing the classification of the City of Devondale, in Jefferson County.
WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Devondale, in Jefferson County, is such as to justify its being classified as a city of the fifth class;
NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Devondale, in Jefferson County, is transferred from the sixth to the fifth class of cities.

HB 875, AN ACT relating to police and fire fighter retirement in cities of the first class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95.290 is amended to read as follows:
(1) The city legislative body in cities of the first class may enact ordinances providing for a system of pensions for retired and disabled members of the police and fire divisions of the department of public safety

and their dependents, may appropriate funds for the purpose of paying such pensions, may allot and pay to the policemen's pension fund or the fire fighter's pension fund or either or both of them, all fines and forfeitures imposed upon members of the respective divisions, and may provide for, assess and collect contributions from the members for the benefit of the fund.

(2) *There shall be a governing body of the policemen's pension fund, and a governing body of the fire fighter's pension fund. The governing bodies of the respective funds shall hold title to all assets in their respective funds, shall determine the operations of their respective funds, and shall operate independently of the city legislative body. A majority of the governing body of each fund shall be comprised of members of the respective pension systems, and no more than one (1) member of the city legislative body may be a member of the governing body of either the policemen's or the fire fighter's pension fund.*

(3) Any pension fund established under the provisions of this section shall be held and distributed for the purpose of paying pensions and for no other purpose, except that the governing board of the fund may annually expend for the necessary expenses connected with the fund, including but not limited to expenses for medical, actuarial, accounting and legal services, the amount such governing board deems proper.

(4)[(3)] Any ordinance establishing a pension fund under this section shall make equitable provision for the rights of persons having an interest in assets transferred to the fund from any fund heretofore established by statute.

Committee Appointments

The Committee on Committees reported the assignment of Representative Hancock to the Committee on Natural Resources and Environment.

Calendar

HB 901, HB 729, HB 909, HB 967, HJR 104, HR 94, HB 653, HB 671, HB 844, HB 841, HB 737, HB 738, HB 702, HB 704, HCR 81, HB 74, HB 457, HB 717, HB 796, HB 851, HB 887, HCR 83, HJR 34, SB 134, HB 857, HB 638, HB 830, HB 414, HB 936, SB 125, HB 507, HB 612, HB 636, HB 637, HB 639, HB 864, HB 703, HB 719, HB 752, HB 753, HB 754, HB 852, HB 853, HCR 87, HB 271, HB 631, HB 695, and **HB 919** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **SB 72, SB 79, SB 102, SB 114, SB 193, SB 213, SB 237, SB 243, SB 277, SB 365,** and **SCR 42.**

Orders of the Day

HB 147 with Committee Substitutes and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Second Committee Substitute to **HB 147.** Agreed.

Representative B. Richardson moved the adoption of the Floor Amendment No. 2 to the Second Committee Substitute to **HB 147.**

On the roll call the vote was yeas 49-Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Brown, Bruce, Caldwell, Clapp, Clark, Craddock, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Gray, Hancock, Hines, Isler, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, May, McBee, Morris, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Reynolds, Richards, B. Richardson, P. Richardson, Romines, Sale, Stone, Worthington. Nays 45-Adams, Arnold, Blair, Blythe, Bronger, Burch, Burnette, Clarke, Crupper, Davenport, DeFalaise, Farrow, Freibert, Fryman, Guenthner, Haering, Head, Heleringer, Holbrook, Holloway, Johnson, Layman, Lewis, Mann, McNutt, Moberly, Overstreet, Patrick, Plummer, Rapier, Rattliff, Riner, Robinson, Schmidt, Smith, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Wright, Yates.

Floor Amendment No. 2 to the Second Committee Substitute to **HB 147** was adopted.

Representative B. Richardson moved the adoption of the Floor Amendment No. 3 to the Second Committee Substitute to **HB 147.** Agreed.

Representative B. Richardson moved that **HB 147,** by way of Second Committee Substitute as amended, be passed.

On the roll call the vote was yeas 58-Adams, Arnold, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Caldwell, Clark, Craddock, Crupper, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Hancock, Hines, Isler, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Reynolds, Richards, B. Richardson, P. Richardson, Romines, Sale, Stone, Stumbo, Thomason, Weinberg, White, Worthington, Yates. Nays 36-Barrows, Blair, Burch, Burnette, Clapp, Clarke, Curd, Davenport, DeFalaise, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Holbrook, Holloway, Johnson, Layman, Lewis, Overstreet, Patrick, Plummer, Rapier, Rattliff, Riner, Robinson, Schmidt, Smith, Thomas, Turner, Van Horn, Wilborn, Wright.

HB 147, by way of Second Committee Substitute as amended, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 147,** by way of Second Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 200 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved that **HB 200** be passed.

Representative Guenthner moved that **HB 200** be laid on the Clerk's desk.

On the roll call the vote was yeas 33-Arnold, Bendl, Bennett, Blandford, Brown, Caldwell, Clarke, Craddock, Crupper, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Gray, Guenthner, Heleringer, Hines, Holbrook, Kenton, LeMaster, List, Little, McKinney, Moberly, Nett, O'Brien, Romines, Schmidt, Stumbo, Thomason, Van Horn, Wilborn. Nays 51-Adams, Barrows, Blair, Blythe, Boswell, Brinkley, Bronger, Bruce, Burnette, Clapp, Clark, Curd, Dawahare, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Hancock, Head, Holloway, Isler, Jones, Layman, Lewis, McBee, McNutt, Morris, Noe, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, Riner, Robinson, Sale, Smith, Stone, Thomas, Turner, Weinberg, Worthington, Wright, Yates.

The motion that **HB 200** be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 55-Adams, Bennett, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Clapp, Crupper, Curd, Cyrus, Davenport, Dawahare, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Hancock, Head, Holbrook, Holloway, Johnson, Layman, Little, Lundergan, May, McBee, McNutt, Morris, O'Brien, Overstreet, Patrick, Pearman, Plummer, Rapier, Rattliff, Reynolds, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Stone, Stumbo, Turner, Van Horn, White, Wright, Yates. Nays 35-Barrows, Bendl, Blair, Blandford, Bronger, Caldwell, Clark, Clarke, DeFalaise, DeMarcus, Deskins, Gray, Guenthner, Heleringer, Hines, Isler, Jones, Kenton, LeMaster, Lewis, List, Mann, McKinney, Moberly, Nett, Noe, Petty, B. Richardson, Schmidt, Smith, Thomas, Thomason, Weinberg, Wilbron, Worthington.

HB 200 was passed and the title agreed to.

Representative Burnette moved that the vote by which **HB 200** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 296, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of the Committee Substitute to **HB 296.** Agreed.

Representative Barrows moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 296.** Agreed.

Representative Barrows moved that **HB 296,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 87-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 296, by way of Committee Substitute as amended, was passed.

Representative Barrows moved the adoption of the Floor Title Amendment to the Committee Substitute to **HB 296.** Agreed.

Representative Barrows moved that the vote by which **HB 296,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Representative B. Richardson moved that the rules be suspended for Report of Committees. Agreed.

Report of Committees

The Committee on Transportation reported **HB 592, HB 767, HB 863** with Committee Amendments attached thereto, and **SB 1** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 592, AN ACT relating to motor vehicle operator's licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.412 is amended to read as follows:

(1) Every person seeking a license, or a renewal of a license for the operation of a motor vehicle, motorcycle, moped or a non-driver identification card shall apply in person to the circuit court clerk of the county in which the applicant resides and shall make application upon a form furnished by the department of transportation. The application form shall contain and shall require the full and legal name and signature, date of birth, social security number, sex, present resident address of the applicant and briefly describe the applicant. It shall also state whether the applicant has previously been licensed as an operator and if so, when and by what state or county, whether any license has ever been canceled, suspended, revoked or refused, and if so, the date of and reason for the cancellation, suspension, revocation or refusal, and such other information as may be required.

(2) The department of transportation shall issue a plastic laminated operator's license bearing thereon a color photograph of the licensee, which photograph shall be taken by the circuit clerk in such a manner that one exposure will photograph the applicant and the application simultaneously, using the process determined under provisions of KRS 186.413.

(3) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.

(4) The clerk may, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety (90) days. Such temporary license shall be valid in lieu of the permanent license during the certification period and must be destroyed upon receipt of the permanent operator's license.

(5) Every person seeking a color photo non-driver identification card may apply in person to the circuit clerk in the county in which he resides. Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained on the form.

(6) Military personnel and other licensed drivers temporarily out-of-county may be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo."

(7) The department shall provide on each license to operate motor vehicles or motorcycles issued a statement whereby the owner of such license may certify in the presence of two witnesses his willingness to make an anatomical gift under KRS 311.195.

(8) If a married or previously married person has elected to use or retain a birth, former, or hyphenated name, then such person may be issued an operator's license in such birth, former, or hyphenated name, so long as the name is not used for fraudulent purposes.

HB 767, AN ACT relating to emergency vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.940 is amended to read as follows:

(1) The speed limitations set forth in the Kentucky Revised Statutes do not apply to emergency vehicles*:*

(a) When responding to emergency calls; or

(b) To police vehicles when in pursuit of an actual or suspected violator of the law; or

(c) To ambulances when transporting a patient to medical care facilities; and

(d) The driver thereof is giving the warning required by subsection (5) of this section.

No portion of this subsection shall be construed to relieve the driver of the duty to operate the vehicle with due regard for the safety of all persons using the street or highway. [when responding to emergency calls or to police vehicles when in pursuit of an actual or suspected violator of the law and when the drivers thereof are operating the vehicle's warning lights and are giving audible signals by siren, bell, or exhaust whistle.]

(2) The driver of an emergency vehicle, when responding to an emergency call, or of a police vehicle in pursuit of an actual or suspected violator of the law, *or of an ambulance transporting a patient to a medical care facility* and giving the warning required by subsection *(5)* [(1)] of this section, upon approaching any red light or stop signal or any stop sign shall slow down as necessary for safety to traffic, but may proceed past such red or stop light or stop sign with due regard for the safety of persons using the street or highway.

(3) The driver of an emergency vehicle, when responding to an emergency call, *or of a police vehicle in pursuit of an actual or suspected violator of the law, or of an ambulance transporting a patient to a medical care facility* and giving warning required by subsection *(5)* [(1)] of this section, may drive on the left side of any highway or on the opposite direction of a one-way street provided the normal lanes of traffic are blocked and he does so with due regard for the safety of all persons using the street or highway.

(4) The driver of an emergency or public safety vehicle may stop or park his vehicle upon any street or highway without regard to the provisions of KRS 189.390 and 189.450, provided that, during the time the vehicle is parked at the scene of an emergency, that at least one (1) warning light is in operation at all times.

(5) The driver of an emergency vehicle desiring the use of any option granted by subsections (1) through (3) of this section shall give warning in the following manner:

(a) By illuminating the vehicle's warning lights continuously during the period of the emergency; and

(b) By continuous sounding of the vehicle's siren, bell, or exhaust whistle; unless

(c) The vehicle is an ambulance and the driver is of the opinion that sounding of the siren, bell, or exhaust whistle would be detrimental to the victim's health. In the event the driver of an ambulance elects not to use the siren, bell, or exhaust whistle he shall not proceed past red lights or drive in the opposite direction on a one-way street or in oncoming lanes of traffic unless no other vehicles are within five hundred (500) feet of the front of the ambulance. The driver shall not extinguish the warning lights during the period of the emergency.

(6)[(5)] No driver or operator of any emergency or public safety or other vehicle shall use the warning lights or siren, bell, or exhaust whistle of his vehicle for any purposes or under any circumstances other than those permitted by KRS 189.910 to 189.950.

(7)[(6)] KRS 189.910 to 189.950 does not relieve the driver of any emergency or public safety vehicle from the duty to drive with due regard for the safety of all persons and property upon the highway.

Section 2. KRS 189.930 is amended to read as follows:

(1) Upon the approach of an emergency vehicle equipped with, and operating, one or more flashing, rotating, or oscillating red or blue lights, visible under normal conditions from a distance of 500 feet to the front of such vehicle; *or* [and] the driver is given audible signal by siren, exhaust whistle, or bell, the driver of every other vehicle shall yield the right of way, immediately drive to a position parallel to, and as close as possible to, the edge or curb of the highway clear of any intersection, and stop and remain in such position until the emergency vehicle has passed, except when otherwise directed by a police officer or firefighter.

(2) Upon the approach of any emergency vehicle, operated in conformity with the provisions of subsection (1) of this section, the operator of every vehicle shall immediately stop clear of any intersection and shall keep such position until the emergency vehicle has passed, unless directed otherwise by a police officer or firefighter.

(3) No operator of any vehicle, unless he is on official business, shall follow any emergency vehicle being operated in conformity with the provisions of subsection (1) of this section closer than 500 feet, nor shall he drive into, or park the vehicle into, or park the vehicle within, the block where the vehicle has stopped in answer to an emergency call or alarm unless he is directed otherwise by a police officer or firefighter.

(4) No vehicle, train, or other equipment shall be driven over any unprotected hose of a fire department when the hose is laid down on any street, private driveway, or track for use at any fire or fire alarm unless the fire department official in command consents that the hose be driven over.

HB 863, AN ACT relating to hazardous materials.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

Due to the central geographical location of the Commonwealth with respect to the hazardous materials industry, and since most predictions indicate that the amount of hazardous material in transport should substantially increase in the future, it is the intent of this Act to provide for the public health and safety of the citizens and to protect the environment of the Commonwealth when any hazardous material is being transported within or through this state.

SECTION 2. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Carrier" means a person engaged in the transportation of passengers or property by:

(a) Land or water, as a common, contract, or private carrier; or

(b) Civil aircraft.

(2) "General permit" means written authorization issued under this Act to persons for the transport of hazardous material in the Commonwealth, who are not required to obtain a certificate or permit from the department pursuant to KRS Chapter 281.

(3) "Hazardous material" means a substance designated hazardous by the federal hazardous materials transportation act (49 U.S.C. 1801, et. seq.) and regulations issued pursuant thereto, including but not limited to hazardous and radioactive waste.

(4) "Hazardous waste" means a substance or material defined as hazardous waste by KRS Chapter 224 and regulations issued pursuant thereto.

(5) "Radioactive material" means any material or combination of material, which spontaneously emits ionizing radiation. Materials in which the estimated specific activity is not greater than 0.002 microcuries per gram of material, and in which the radioactivity is essentially uniformly distributed, are not considered to be radioactive materials.

(6) "Radioactive waste" means any waste substance or combination of substances, in any form which because of its radioactive material content may create a threat to public health or to animal, plant, and aquatic life forms.

(7) "Specific permit" means written authorization issued under this Act to persons for any specific shipment of spent nuclear fuel, high level radioactive waste or other hazardous material which the secretary has determined by regulation to represent an unusually high risk to the citizens of the Commonwealth while in transport. A specific permit shall expire when the specifically permitted shipment has completed its movement through the Commonwealth.

(8) "Vehicle" means any device or contrivance for carrying or conveying persons, property, or substances, including conveyance by highways, railway, waterway, airway, or by pipeline.

SECTION 3. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The secretary shall be responsible for controlling and regulating the movement of all hazardous materials transported by all common carrier modes, including pipelines, within the Commonwealth.

(2) The secretary, in consultation with the secretary of the department for natural resources and environmental protection and the secretary of the department for human resources, shall adopt by reference or in entirety, the federal hazardous materials transportation regulations, 49 C.F.R. (1978), as amended, to effectively carry out the intent of this Act.

(3) The department shall cooperate with and assist the department for natural resources and environmental protection in implementing and enforcing the transportation provisions of any state hazardous waste regulations promulgated pursuant to KRS Chapter 224. The specific nature and details of the assistance effort shall be established by a formal cooperative agreement acceptable to both departments, and all activities shall occur in accordance with the terms of the agreement. The agreement shall address and include, but not necessarily be limited to, the following items:

(a) The department shall, as a part of routine and periodic transportation checks and inspections, ensure that shipments of hazardous waste do not present a threat to the public or the environment; are accompanied by the required hazardous waste manifest or such other shipping or delivery documents as may be acceptable to the department for natural resources and environmental protection; and comply with applicable shipping standards;

(b) The department shall, upon receipt of a written request from the secretary or general counsel of the department for natural resources and environmental protection, actively conduct field investigations relating to the illegal, improper, or unauthorized transport of hazardous waste in the state. Such investigations may, at a minimum, include passive and active surveillance, apprehension, and reporting, with the scope and extent of each investigation to be previously agreed to by the involved departments;

(c) The department shall compile and maintain such necessary records as may normally be required to carry out the provisions of this subsection and shall for minor violations report quarterly, and for major violations report weekly, to the department for natural resources and environmental protection on the status of the inter-agency hazardous waste transportation monitoring and enforcement activity for irregularities or violations;

(d) The department shall provide such information, evidence, and other support, either in written form or in the form of oral testimony during a legal proceeding or both, as may be required by the department for natural resources and environmental protection to fully carry out its statutory responsibility under the appropriate sections of KRS Chapter 224;

(e) The department for natural resources and environmental protection shall, unless specifically agreed otherwise, have primary responsibility for initiating and conducting all legal proceedings arising from the terms and provisions of this subsection; and

(f) The department for natural resources and environmental protection shall provide sufficient training, technical assistance, and other support to the department to prepare representatives of the department to adequately carry out the responsibilities set forth in this subsection.

SECTION 4. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) Effective January 1, 1981, no person shall haul, transport, or cause to be transported into, out of, within, or through the Commonwealth any material designated as a hazardous material unless such person holds a valid permit or certificate issued by the department or its designated agent.

(2) Carriers of hazardous materials required to obtain permits or certificates pursuant to KRS Chapter 281 shall be required to provide in the permit or certificate application and renewal the following information in a form designated by the department:

(a) Name of carrier, and the individual associated with the carrier who can be immediately contacted in the event of emergencies;

(b) A description of emergency procedures which the carrier will follow in the event of an accident;

(c) Identification of the types, quantity, and forms of hazardous material transported by the carrier;

(d) Identification of routes routinely used in the Commonwealth when transporting hazardous material.

(3) All carriers of hazardous materials not subject to permits or certificates pursuant to KRS Chapter 281 shall be required to:

(a) Comply with the regulations adopted pursuant to Section 3 of this Act;

(b) Provide documentation of compliance in a form or manner prescribed by the department;

(c) Provide the additional information required by paragraphs (a), (b), (c) and (d) of subsection (2) of this section; and

(d) Obtain a general permit, to be renewed annually, from the department upon satisfactory documentation of compliance with this section.

(4) The secretary shall transmit any information contained in an application, permit or certificate renewal, needed to make decisions for proper emergency response, to other state and local agencies having emergency action responsibilities.

(5) The following shall apply to specific permits:

(a) In making a determination of an unusually high risk, and therefore the need for a specific permit, the secretary shall consider, but not be limited to: the proposed routing, especially if such proposed routing will cause hazardous material to be transported through high density populated areas, and the road or rail conditions on which the vehicle travels.

(b) If the secretary has determined that the material identified in the application constitutes an unusually high risk and thus establishes the need for a specific permit, the applicant shall include the proposed date and time of shipment, the starting point, specific scheduled route, and destination, and the anticipated delivery time or time of departure from the Commonwealth.

(c) Specific permits shall be granted or denied within three (3) working days after an application has been received for such a permit, except that if the secretary determines that additional time is required to evaluate such application, the secretary shall notify such person not later than such three (3) working day period that additional time is required. The secretary may require changes in dates, routes, or time, or the use of escorts for the transporting of hazardous material which requires a specific permit, provided such action is consistent with the federal hazardous materials transportation act (49 U.S.C. 1801 et seq.), as amended.

(6) The secretary shall establish an inspection and enforcement program to determine compliance with the provisions of this Act, and any regulations promulgated under this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) Any person transporting hazardous materials in the Commonwealth shall carry a copy of the shipping papers required in 49 C.F.R. (1978), as amended, and a copy of the certificate or permit issued by the department in the transporting vehicle while in the Commonwealth.

(2) In the event of an accident involving hazardous material, the operator of the vehicle shall:

(a) Notify the Kentucky state police of the accident within one (1) hour, who shall then notify the local jurisdiction and any other appropriate state agency with emergency action responsibility, and

(b) Provide the shipping papers to state and local emergency response authorities, and immediately bring to their attention the fact that the vehicle is transporting hazardous materials.

(3) In addition to the other requirements of this section, any person transporting hazardous wastes shall carry in the transporting vehicle a copy of a manifest in a form approved by the department for natural resources and environmental protection.

SECTION 6. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) This Act shall not apply to hazardous materials shipped by or for the United States government for military or national security purposes or which relate to national defense. Nothing herein shall be construed as requiring the disclosure of any defense information or restricted data as defined in the atomic energy act of 1954 and the energy reorganization act of 1974, as amended.

(2) Information provided by the applicant for specific permits relating to dates, times, and routes of travel shall be considered confidential and not subject to public disclosure consistent with KRS 61.878(1)(j) and KRS 61.878(4) until such time as the shipment to which the information relates is completed.

(3) In the event of a hazardous material discharge, or threat thereof, resulting from the transport of such material in the Commonwealth, the department may recover from any shipper, carrier, or agent responsible for the transport of such material, the cost incurred by the Commonwealth for the prevention or abatement of such discharge, the removal of the effects of the discharge, or for other cost, associated with the discharge or threat thereof.

SECTION 7. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The secretary of the department of transportation is authorized to fix a reasonable fee, by regulation, to be paid by applicants for a general or specific permit to transport hazardous material through the Commonwealth, and for the renewal of such permit.

(2) All fees collected by the department under the provisions of this Act shall be paid into the state treasury and credited to a trust and agency fund to be used in carrying out the provisions of this Act.

Section 8. KRS 281.655 is amended to read as follows:

(1) Before any certificate or permit will be issued or renewed, the applicant or holder of the certificate or permit must file or have on file with the department an approved indemnifying bond or insurance policy issued by some surety company or insurance carrier authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until canceled under proper notice. The bond or policy shall have attached thereto the state insurance indorsement. All bonds or policies required herein must be issued in the name of the holder of the certificate or permit. In lieu of

the bond or policy, the department, under appropriate rules and regulations, may require the filing of an approved certificate of insurance, the term of which shall be continuous and shall remain in force and effect until canceled under proper notice.

(2) The bond or policy required of a U-Drive-It or automobile utility trailer lessor shall provide public liability and property damage coverage when operated either by the lessee or lessor thereof or agents, servants or employes of either.

(3) All bonds or policies shall provide blanket coverage for all equipment operated pursuant to the certificate or permit.

(4) Effective January 1, 1957, the types and minimum amounts of insurance to be carried on each vehicle are as follows:

MOTOR VEHICLES FOR THE TRANSPORTATION OF PERSONS, INCLUDING U-DRIVE-ITS

Capacity	Death or Injury to Any One Person	Total Liability for Death or Injury to Persons	Property Damage
7 persons or less	$10,000.00	$20,000.00	$5,000.00
8 to 16 inclusive	10,000.00	30,000.00	5,000.00
17 to 25 inclusive	10,000.00	40,000.00	5,000.00
26 or more	10,000.00	50,000.00	5,000.00

MOTOR VEHICLES FOR THE TRANSPORTATION OF PROPERTY, INCLUDING U-DRIVE-ITS AND AUTOMOBILE UTILITY TRAILERS

Gross Weight	Death or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
18,000 lbs. or less	$ 10,000.00	$ 20,000.00	$ 5,000.00
More than 18,000 lbs.	100,000.00	300,000.00	50,000.00

(5) Any *person* [carrier or motor carrier] using any vehicle for the transportation of [inflammables, explosives or] petroleum or petroleum products in bulk *in amounts less than ten thousand (10,000) pounds* shall have the following types and minimum amount of insurance carried on each [such] vehicle:

Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
$100,000.00	$300,000.00	$50,000.00

(6) *Any person using any vehicle for the transportation of hazardous material as defined in Section 2 of this Act shall have the following types and minimum amount of insurance carried on each vehicle:*

Death of or Injury to Any One Person	*Total Liability for Death of or Injury to Persons*	*Property Damage*
$1,000,000.00	*$1,000,000.00*	*$1,000,000.00*

(7) Before any Kentucky intrastate certificate, exclusively authorizing the transportation of property, except an irregular route common carrier certificate exclusively authorizing the transportation of Kentucky

exempted commodities, shall be issued or renewed, the applicant or holder of the certificate must file or have on file with the department an approved insurance policy or bond compensating shippers or consignees for loss or damage to property belonging to shippers or consignees and coming into possession of the carrier in connection with its transportation service, (a) for loss of or damage to property carried on any one motor vehicle in the amount of five thousand dollars ($5,000); (b) for loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place in the amount of ten thousand dollars ($10,000). Said policy or bond shall have attached thereto the Kentucky cargo policy indorsement and must be issued by some insurance or surety company authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until canceled under proper notice. In lieu of the bond or policy, the department, under appropriate rules and regulations, may require the filing of an approved certificate of insurance, the term of which shall be continuous and shall remain in force and effect until canceled under proper notice.

(8)[(7)] The department may by regulation require motor carriers for hire operating exclusively interstate commerce to file proof of cargo insurance coverage in such form and in such amounts as the commissioner deems advisable.

(9)[(8)] No insurance company or insurance carrier issuing any policy filed with the department, and no surety or obligor on any bond or contract filed with the department, shall be relieved from liability under the policy, bond or contract until after the expiration of fifteen (15) days' notice to the department of an intention to cancel the policy, bond or contract, provided, however, that a prior cancellation may be allowed in cases where one policy, bond or contract is substituted for another policy, bond or contract where such substituted policy, bond or contract is of force and effect at a point in time prior to the expiration of fifteen (15) days' notice to the department of an intention to cancel the policy, bond or contract for which such additional policy, bond or contract is being substituted. The acceptance of any notice of an intention to cancel any policy, bond or contract or the cancellation of any policy, bond or contract by the department, unless under the circumstances hereinbefore set forth, shall not relieve the insurance company, insurance carrier, surety or obligor of any liability that accrued prior to the effective date of the cancellation.

(10)[(9)] Upon the cancellation of any bond or insurance policy required by this section, all operating rights granted by the certificate or permit for which said bond or policy was filed, shall immediately cease, and the department is empowered to immediately require the cessation of all operations conducted under authority of said certificate or permit, and to require the surrender of all certificates, permits, licenses and other evidence of a right to act as a motor carrier.

(11)[(10)] The department may exempt in whole or in part from the requirements of this section any person who applies for such exemption and shows to the satisfaction of the department that, by reason of the financial ability of the person applying, there is due assurance of the payment of all damages for which he may become liable as a result of the operation of any vehicle owned by him or operated under authority of his certificate or permit.

SECTION 9. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

Any person who knowingly hauls, transports, or causes to be transported any hazardous material into, out of, within, or through the Commonwealth in violation of this Act, or contrary to a permit, order, or regulation issued or promulgated under this Act, or knowingly makes a false statement, representation, or certification in an application for a permit or in a report required by this Act, shall be guilty of a Class D felony and upon conviction thereof, shall be punished by a fine not to exceed twenty-five thousand dollars ($25,000), for each day of violation or by imprisonment for a term not to exceed five (5) years or by both fine and imprisonment for each separate violation.

The Committee Amendment No. 1 to **HB 863** is as follows:

The Committee Amendment No. 1 to **HB 863** is as follows:

Amend printed copy of **HB 863,** on page 1, line 15, after the word "the" insert the word "commercial"; and

On page 2, by deleting lines 24 through 26; and

On page 3, by deleting lines 1 through 6; and

On page 3, line 7, by deleting the number "(8)" and inserting in lieu thereof the number "(7)"; and

On page 3, line 15, by deleting the word "common"; and

On page 3, line 24, by inserting after the word "department" the words "and the department of justice"; and

On page 4, line 5, by deleting the word "both" and inserting in lieu thereof the word "the"; and

On page 4, line 9, by deleting the phrase "The department shall,"; and

On page 4, line 17, by deleting the phrase "The department shall,"; and

On page 5, line 1, by deleting the phrase "The department shall,"; and

On page 5, line 10, by deleting the phrase "The department shall,"; and

On page 5, line 24, by deleting the word "department" and by inserting in lieu thereof the words "appropriate departments"; and

On page 5, line 25, by deleting the word "department" and by inserting in lieu thereof the word "departments"; and

On page 6, line 4, by inserting before the word "Effective" the phrase "Unless found inconsistent with the federal hazardous materials transportation act (49 U.S.C. 1801 et seq.),"; and

On page 6, lines 12-13, by deleting the phrase "in the permit or certificate application and renewal" and by inserting in lieu thereof the word "annually"; and

On page 6, line 19, by deleting the punctuation ";"and inserting in lieu thereof the punctuation "."; and

On page 6, by deleting lines 20 through 23; and

On page 7, line 5, by inserting after the word "information" the word "annually"; and

On page 7, line 6, by deleting the phrase "paragraphs (a), (b), (c), and (d) of"; and

On page 7, by deleting lines 16 through 26; and

On page 8, by deleting lines 1 through 16; and

On page 8, line 17, by deleting the number "(6)" and inserting in lieu thereof the number "(5)"; and

On page 10, by deleting lines 2 through 7; and

On page 10, line 8, by deleting the number "(3)" and inserting in lieu thereof the number "(2)"; and

On page 10, line 21, by deleting the words "or specific"; and

On page 16, line 21, by deleting the word "knowingly" and inserting in lieu thereof the word "willfully"; and

On page 16, line 25, by deleting the word "knowingly" and inserting in lieu thereof the word "willfully"; and

On page 17, by deleting lines 2 through 7, and inserting in lieu thereof the phrase "Act, shall be fined not less than two hundred and fifty dollars ($250) nor more than twenty-five thousand dollars ($25,000), for each of violation."

On page 13, line 2, delete "*person*" and insert "*owner*" in lieu thereof;

On page 13, line 6, after the word "*Any*" delete the word "*person*" and insert the word "*owner*" in lieu thereof.

The Committee Amendment No. 2 to **HB 863** is as follows:

Amend printed copy of **HB 863,** on page 10, line 17, delete lines 17-26 in their entirety.

On page 11, line 1, delete line 1 in its entirety.

On page 11, line 2, "Section 8" becomes "Section 7"

On page 16, line 19, "Section 9" becomes "Section 8"

SB 1, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.240 is amended to read as follows:

It shall be the duty of the department to carry out the provisions of KRS 186.005 to 186.260 and in so doing shall:

(1) Prepare and furnish to the clerk in each county a sufficient supply of all forms and blanks provided for in KRS 186.005 to 186.260, provided that the forms for receipts shall be designated for the writing of not less than triplicate copies, the originals of which shall be numbered consecutively for each county; the second and third copies bearing the same number as the original. Receipts to be used as duplicates for lost receipts, as provided in KRS 186.180(1), shall be in duplicate only, and shall not be numbered.

(2) Keep a numerical record of all registration numbers issued in the state, for which they may use the second copy of receipts forwarded by the clerk of each county, and also keep a record of motor or vehicle identification numbers required by KRS 186.160.

(3) Furnish to each clerk, originally each year upon estimate, and thereafter upon requisition at all times a sufficient supply of plates and other insignia evidencing registration for all classes of vehicles required to be registered. The department shall prescribe a plate of practical form and size for police identification purposes which shall *be embossed with* [contain only] the registration number, the word "Kentucky" [or the abbreviation thereof, "Ky."] and the name of the county in which the plate is issued or in lieu thereof the words "Official," "Transportation," "Executive," "Farm," or in the case of plates for commercial vehicles, such words or information as the bureau of vehicle regulation may by regulation provide and the year for which the license is issued if the year is not evidenced as otherwise provided in this chapter; provided, however, no numerals indicating any year shall be placed upon any license plate issued under and in accordance with the provisions of KRS 186.060, relating to the licensing of vehicles owned exclusively by the state and of KRS 186.061, relating to the licensing of vehicles owned exclusively by any nonprofit volunteer fire department, volunteer fire prevention unit, and volunteer fire protection unit. A state slogan may be placed upon such plate if so desired.

(4) The department of transportation shall receive all moneys forwarded by the clerk in each county and turn same over to the state treasurer for the benefit of the state road fund.

(5) The department of transportation shall require an accounting by the clerk in each county for any moneys received by him under the provisions of this chapter, after the deduction of his fees under this chapter, and for all receipts, forms, plates and insignia consigned to him.

(6) When applied for under KRS 186.160, motor or vehicle numbers assigned shall be distinctive to show that they were designated by the department.

Section 2. This Act shall become effective January 1, 1982.

The Committee Amendment No. 1 to **SB 1** is as follows:

Amend printed copy of **SB 1,** on page 3, line 12, delete Section 2 in its entirety and insert the following language in lieu thereof:

Section 2. KRS 186.180 is amended to read as follows:

(1) (a) If the owner loses his copy of a registration or transfer receipt, he may obtain a duplicate from the county clerk who issued the present owner's copy of the receipt by filing an affidavit, upon a form furnished by the department, and he shall pay to the clerk a fee of $2.00.

(b) When the owner's copy of any registration or transfer receipt shows that the spaces provided thereon for noting and discharging security interests have been exhausted, the owner may apply to the county clerk who issued such receipt in order to obtain a duplicate thereof. The owner shall surrender his copy of the current receipt to the clerk before a duplicate may be issued therefor. The owner shall pay the clerk a fee of $2.00.

(c) Any security interest which has been discharged as shown by the records of the clerk or upon the owner's copy of the current receipt, must be omitted from the duplicate receipt to be issued by the clerk.

(2) If the owner loses a registration plate he shall surrender his registration receipt to the county clerk from whom it was obtained and file therewith a written statement as to the loss of the plate. Upon the payment of the sum of $2.00 for each plate and a fee of $2.00 to the clerk for his services the owner shall be issued another registration receipt and a plate or plates which shall bear a different number from that of the lost plate. The clerk shall retain the owner's statement and shall make a notation on the triplicate copy of the surrendered registration receipt, stating the number of the registration receipt replacing it. The original copy of the surrendered receipt shall be forwarded to the department. The department shall forthwith cancel the registration corresponding to the number of the lost plate. The cancellation shall be reported by the department to the director of the bureau of state police. Any person finding a lost registration plate shall deliver it to the department of transportation or to any county clerk for forwarding it to the department.

(3) If the owner moves from one county into another county of the commonwealth, he may obtain a registration plate bearing the name of the county of residence. In order to obtain a new registration plate, the owner shall surrender his current registration receipt and current registrations plate to the county clerk. The clerk shall provide the owner with a new registration receipt and plate bearing the county name. The surrendered receipt and plate shall be forwarded to the department of transportation. The fee for such registration shall be four dollars ($4.00) of which the clerk shall be entitled to two dollars ($2.00) and the department shall be entitled to two dollars ($2.00).

Section 3. This Act shall become effective January 1, 1984.

The Committee on Counties and Special Districts reported **HB 298** and **HB 815** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 298, AN ACT relating to county jailers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.592 is amended to read as follows:

(1) "Hazardous position" means any position whose principal duties involve active law enforcement, active fire suppression or prevention, or other positions, including but not limited to pilots of the department of transportation, with duties that require frequent exposure to a high degree of danger or peril and also require a high degree of physical conditioning.

(2) Each employer shall certify to the board in the manner prescribed by the board, the names of all employes deemed by the employer to be working in a hazardous position as defined in subsection (1) of this section. *County jailers and their deputies shall be certified by their employers to be working in hazardous positions.* The certification of the employer shall bear the approval of the agent or agency responsible for the budget of the department or county indicating that the required employer contributions have been provided for in the budget of the employing department or county. The board shall determine whether the employes whose names have been certified by the employer are working in positions meeting the definition of a hazardous position as provided by subsection (1) of this section.

(3) (a) An employe determined by the board to be working in a hazardous position in accordance with subsection (2) of this section shall contribute for each pay period for which he receives compensation, seven percent (7%) of his creditable compensation;

(b) Each employer shall pay employer contributions based on the creditable compensation of the employes determined by the board to be working in a hazardous position at the employer contribution rate as determined by the board. Such rate will be determined by actuarial methods consistent with the provisions of KRS 61.565.

(4) The normal retirement age, retirement allowance and other benefits, eligibility requirements, rights and responsibilities of a member in a hazardous position, as prescribed by subsections (1), (2) and (3) of this section, and the responsibilities, rights and requirements of his employer shall be as prescribed for a member and employer participating in the state police retirement system as provided for by KRS 16.505 to 16.652, except the mandatory retirement provisions of KRS 16.576(1) and the maximum employment age in KRS 16.520(2) shall not be applicable.

(5) Any person employed in a hazardous position after July 1, 1972 shall be required to undergo a thorough medical examination by a licensed physician, and a copy of the medical report of the physician shall be retained on file by the employe's department or county and made available to the board upon request.

(6) In the event of doubt regarding the benefits payable to a hazardous position employe under this section, the board shall determine the benefits payable under KRS 61.510 to 61.692 or 78.510 to 78.852 or 16.505 to 16.652.

HB 815, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO READ AS FOLLOWS:

Any city or county which is a member of a planning unit established under this chapter may adopt a zoning regulation which restricts industrial shale mining to areas which have been zoned for that purpose.

The Committee on Counties and Special Districts reported **HB 563,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Substitute to **HB 563** is as follows:

HB 563, AN ACT relating to sheriffs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.090 is amended to read as follows:

Sheriffs may charge and collect for the following services the following fees:

Executing and returning process	$3.00
Serving an order of court and return	3.00
Summoning each witness	2.00
Summoning an appraiser or reviewer	2.00
Attending a surveyor, when ordered by a court, per deputy or sheriff assigned	20.00
Taking any bond that he is authorized or required to take in any action	5.00

Collecting money under execution or distress warrant, if the debt is paid or the property sold, or a delivery bond given and not complied with, six per cent (6%) on the first three hundred dollars ($300) and three per cent (3%) on the residue; when he levies an execution or distress warrant, and the defendant replevies the debt, or the writ is stayed by legal proceedings or by the order of the plaintiff, half of the above commissions, to be charged to the plaintiff and collected as costs in the case.

Taking a recognizance of a witness	$3.00
Levying an attachment	5.00

When property attached is sold by an officer other than the officer levying the attachment, the court shall, in the judgment, make the officer an additional and reasonable allowance for levying the attachment, and the fee of the officer selling the property shall be lessened by that sum. Reasonable charges for removing and taking care of attached property shall be allowed by order of court.

Summoning a garnishee	3.00
Summoning a jury in a misdemeanor case, attending the trial, and conducting the defendant to jail to be paid by the party convicted	8.00
Serving process or arresting the party in misdemeanor cases, to be paid by the plaintiff	*6.00*[10.00]
Serving an order or process of revivor	3.00
Executing a writ of possession against each tenant or defendant	7.00

Executing a capias ad satisfaciendum, the same commission as collecting money on execution. If the debt is not paid, but stayed or secured, half commission.

Summoning and attending a jury in a case of forcible entry and detainer, besides fees for summoning witnesses	8.00
Collecting militia fines and fee-bills, ten per cent (10%), to be deducted out of the fee-bill or fine.	
Levying for a fee-bill	3.00
Serving a notice	2.00
Serving summons, warrants or process of arrest in bastardy cases	6.00
Serving each order appointing surveyors of roads, to be paid out of the county levy	5.00

Serving each summons or order of court in applications concerning roads, to be paid out of the county levy if the road is established, and in all other cases to be paid by the applicant 5.00
Like services in cases of private passways to be paid by the applicant 5.00
Executing each writ of habeas corpus, to be paid by the petitioner 3.00
All services under a writ issued under KRS 381.460 to 381.570 ....10.00
Transporting a prisoner to court (sheriff shall be paid by the unit of government as defined in KRS 441.005 the fee for each day a prisoner is transported to court by the sheriff's office) 1.00
Performing the duties of jailer, the same fees and allowances that are prescribed for jailers.
For services in summoning grand and petit jurors and performing his duties under KRS Chapter 29A the sheriff shall be allowed, for each person so summoned, and paid out of the state treasury for constructive service the sum of $1.50 and for personal service the sum of $3.00.

Section 2. KRS 64.060 is amended to read as follows:

(1) Sheriffs, constables, coroners, marshals and policemen shall be paid out of the state treasury for the following services the following fees: Apprehending a person on charge of felony, or a fugitive from justice charged with a felony in this state ....*$6.00*[3.00]
Executing a process of contempt in a criminal case when the court excuses the contempt 1.60
Executing a summons upon a witness in behalf of the commonwealth in a felony case 75
Summoning a jury, on order of a court, in a county other than that in which the action is pending, a reasonable allowance to be fixed by the court. Summoning and attending a jury in a case of felony 2.50

(2) No claim for services incidental to examining courts shall be allowed to any sheriff, deputy sheriff, constable, marshal, policeman or other officer authorized to execute process in felony cases until the grand jury has returned an indictment for a felony.

SECTION 3. A NEW SECTION OF KRS CHAPTER 64 IS CREATED TO READ AS FOLLOWS:

In all civil and criminal cases sheriffs shall be paid from the state treasury the appropriate fee for the service of process, or arrest, or the execution of a notice, subpoena or summons on the behalf of the Commonwealth.

Section 4. KRS 64.095 is amended to read as follows:

(1) Each sheriff, deputy sheriff or constable in each county executing a notice, subpoena or summons shall be paid his expenses in the service of such papers through the payment of miles traveled by such sheriff, deputy sheriff or constable at the rate per mile paid state employes for official travel in privately owned vehicles, as established by regulation of the executive department for finance and administration.

(2) The sheriff, deputy sheriff or constable shall be paid the mileage by the *requesting litigant* [litigants] in any criminal or civil action at the time of the delivery of such notice, subpoena or summons.

(3) If such litigant is financially unable to make such payments, he may take the oath in "forma pauperis."

[(4) The provisions of this section shall not apply with relation to the delivery of a notice, subpoena or summons on behalf of the Commonwealth of Kentucky.]

Section 5. KRS 64.340 is amended to read as follows:

Except as pertains to sheriff's fees as provided in Section 3 of this Act, no officer shall be entitled to any fee in a proceeding for a misdemeanor unless the fee is recovered and collected from the defendant, in which case the fee allowed and taxed shall be the same as for similar services in civil cases.

Section 6. KRS 453.010 is amended to read as follows:

Except as pertains to sheriff's fees as provided in Section 3 of this Act, no judgment for costs shall be rendered against the Commonwealth in any action prosecuted by or against the Commonwealth in its own right; provided, however, that in any civil action filed in any court of competent jurisdiction by or against the Commonwealth of Kentucky, the costs may be paid by the Commonwealth when such costs are approved and allowed by the judge of the court in which the case was filed. Costs shall not exceed the fees allowed for similar services in other civil actions.

The Committee on Judiciary reported **HB 489,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 489, AN ACT relating to trial courts and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 23A.020 is amended to read as follows:
The state is divided into judicial circuits, each to be composed of the following counties:
(1) First Judicial Circuit. Ballard, Carlisle, Fulton and Hickman.
(2) Second Judicial Circuit. McCracken.
(3) Third Judicial Circuit. Christian.
(4) Fourth Judicial Circuit. Hopkins.
(5) Fifth Judicial Circuit. Crittenden, Union and Webster.
(6) Sixth Judicial Circuit. Daviess.
(7) Seventh Judicial Circuit. Logan and Todd.
(8) Eighth Judicial Circuit. Warren.
(9) Ninth Judicial Circuit. Hardin.
(10) Tenth Judicial Circuit. Hart, Larue and Nelson.
(11) Eleventh Judicial Circuit. Green, Marion, Taylor and Washington.
(12) Twelfth Judicial Circuit. Henry, Oldham and Trimble.
(13) Thirteenth Judicial Circuit. Garrard, Jessamine and Lincoln.
(14) Fourteenth Judicial Circuit. Bourbon, Scott and Woodford.
(15) Fifteenth Judicial Circuit. Carroll, *Gallatin,* Grant and Owen.
(16) Sixteenth Judicial Circuit. Kenton.
(17) Seventeenth Judicial Circuit. Campbell.
(18) Eighteenth Judicial Circuit. Harrison, Nicholas, Pendleton and Robertson.
(19) Nineteenth Judicial Circuit. Bracken, Fleming and Mason.
(20) Twentieth Judicial Circuit. Greenup and Lewis.
(21) Twenty-first Judicial Circuit. Bath, Menifee, Montgomery and Rowan.
(22) Twenty-second Judicial Circuit. Fayette.
(23) Twenty-third Judicial Circuit. Estill, Lee and Owsley.
(24) Twenty-fourth Judicial Circuit. [Lawrence,] Johnson [and Martin].
(25) Twenty-fifth Judicial Circuit. Clark and Madison.
(26) Twenty-sixth Judicial Circuit. Harlan.
(27) Twenty-seventh Judicial Circuit. Knox and Laurel.
(28) Twenty-eighth Judicial Circuit. Pulaski and Rockcastle.
(29) Twenty-ninth Judicial Circuit. Adair, Casey, Cumberland and Monroe.
(30) Thirtieth Judicial Circuit. Jefferson.
(31) Thirty-first Judicial Circuit. Floyd.
(32) Thirty-second Judicial Circuit. Boyd.
(33) Thirty-third Judicial Circuit. Perry.
(34) Thirty-fourth Judicial Circuit. Whitley and McCreary.
(35) Thirty-fifth Judicial Circuit. Pike.
(36) Thirty-sixth Judicial Circuit. Magoffin and Knott.
(37) Thirty-seventh Judicial Circuit. Carter, Elliott and Morgan.
(38) Thirty-eighth Judicial Circuit. Butler, Edmonson, Ohio and Hancock.
(39) Thirty-ninth Judicial Circuit. Breathitt, Wolfe and Powell.
(40) Fortieth Judicial Circuit. Clinton, Russell and Wayne.
(41) Forty-first Judicial Circuit. Clay, Jackson and Leslie.
(42) Forty-second Judicial Circuit. Calloway and Marshall.
(43) Forty-third Judicial Circuit. Barren and Metcalfe.
(44) Forty-fourth Judicial Circuit. Bell.
(45) Forty-fifth Judicial Circuit. Muhlenberg and McLean.
(46) Forty-sixth Judicial Circuit. Breckinridge, Grayson and Meade.
(47) Forty-seventh Judicial Circuit. Letcher.
(48) Forty-eighth Judicial Circuit. Franklin.
(49) Forty-ninth Judicial Circuit. Allen and Simpson.
(50) Fiftieth Judicial Circuit. Boyle and Mercer.
(51) Fifty-first Judicial Circuit. Henderson.
(52) Fifty-second Judicial Circuit. Graves.
(53) Fifty-third Judicial Circuit. Shelby, Anderson and Spencer.
(54) Fifty-fourth Judicial Circuit. Boone [and Gallatin].
(55) Fifty-fifth Judicial Circuit. Bullitt.
(56) Fifty-sixth Judicial Circuit. Caldwell, Livingston, Lyon and Trigg.
(57) Fifty-seventh Judicial Circuit. Lawrence and Martin.
Section 2. KRS 23A.040 is amended to read as follows:
The following judicial circuits are entitled to two (2) judges and shall have two (2) numbered divisions of the circuit court:

(1) Second Judicial Circuit.
(2) Third Judicial Circuit.
(3)[(2)] Sixth Judicial Circuit.
(4)[(3)] Eighth Judicial Circuit.
(5)[(4)] Ninth Judicial Circuit.
(6)[(5)] Seventeenth Judicial Circuit.
(7) Twenty-fifth Judicial Circuit.
(8) Twenty-seventh Judicial Circuit.
(9)[(6)] Thirty-second Judicial Circuit.
(10)[(7)] Thirty-fifth Judicial Circuit.
(11)[(8)] Forty-eighth Judicial Circuit.

Section 3. KRS 24A.030 is amended to read as follows:

The state is divided into judicial districts, each to be composed of the following counties:

(1) First Judicial District. Ballard, Carlisle, Fulton and Hickman.
(2) Second Judicial District. McCracken.
(3) Third Judicial District. Christian.
(4) Fourth Judicial District. Hopkins.
(5) Fifth Judicial District. Crittenden, Union and Webster.
(6) Sixth Judicial District. Daviess.
(7) Seventh Judicial District. Logan and Todd.
(8) Eighth Judicial District. Warren.
(9) Ninth Judicial District. Hardin.
(10) Tenth Judicial District. Hart, Larue and Nelson.
(11) Eleventh Judicial District. Green, Marion, Taylor and Washington.
(12) Twelfth Judicial District. Henry, Oldham and Trimble.
(13) Thirteenth Judicial District. Garrard, Jessamine and Lincoln.
(14) Fourteenth Judicial District. Bourbon, Scott and Woodford.
(15) Fifteenth Judicial District. Carroll, *Gallatin,* Grant and Owen.
(16) Sixteenth Judicial District. Kenton.
(17) Seventeenth Judicial District. Campbell.
(18) Eighteenth Judicial District. Harrison, Nicholas, Pendleton and Robertson.
(19) Nineteenth Judicial District. Bracken, Fleming and Mason.
(20) Twentieth Judicial District. Greenup and Lewis.
(21) Twenty-first Judicial District. Bath, Menifee, Montgomery and Rowan.
(22) Twenty-second Judicial District. Fayette.
(23) Twenty-third Judicial District. Estill, Lee and Owsley.
(24) Twenty-fourth Judicial District. [Lawrence,] Johnson [and Martin].
(25) Twenty-fifth Judicial District. Clark and Madison.
(26) Twenty-sixth Judicial District. Harlan.
(27) Twenty-seventh Judicial District. Knox and Laurel.
(28) Twenty-eighth Judicial District. Pulaski and Rockcastle.
(29) Twenty-ninth Judicial District. Adair, Casey, Cumberland and Monroe.
(30) Thirtieth Judicial District. Jefferson.
(31) Thirty-first Judicial District. Floyd.
(32) Thirty-second Judicial District. Boyd.
(33) Thirty-third Judicial District. Perry.
(34) Thirty-fourth Judicial District. Whitley and McCreary.
(35) Thirty-fifth Judicial District. Pike.
(36) Thirty-sixth Judicial District. Magoffin and Knott.
(37) Thirty-seventh Judicial District. Carter, Elliott and Morgan.
(38) Thirty-eighth Judicial District. Butler, Edmonson, Ohio and Hancock.
(39) Thirty-ninth Judicial District. Breathitt, Wolfe and Powell.
(40) Fortieth Judicial District. Clinton, Russell and Wayne.
(41) Forty-first Judicial District. Clay, Jackson and Leslie.
(42) Forty-second Judicial District. Calloway and Marshall.
(43) Forty-third Judicial District. Barren and Metcalfe.
(44) Forty-fourth Judicial District. Bell.
(45) Forty-fifth Judicial District. Muhlenberg and McLean.
(46) Forty-sixth Judicial District. Breckinridge, Grayson, and Meade.
(47) Forty-seventh Judicial District. Letcher.
(48) Forty-eighth Judicial District. Franklin.

(49) Forty-ninth Judicial District. Allen and Simpson.
(50) Fiftieth Judicial District. Boyle and Mercer.
(51) Fifty-first Judicial District. Henderson.
(52) Fifty-second Judicial District. Graves.
(53) Fifty-third Judicial District. Shelby, Anderson and Spencer.
(54) Fifty-fourth Judicial District. Boone [and Gallatin].
(55) Fifty-fifth Judicial District. Bullitt.
(56) Fifty-sixth Judicial District. Caldwell, Livingston, Lyon and Trigg.
(57) Fifty-seventh Judicial District. Lawrence and Martin.

Section 4. KRS 24A.050 is amended to read as follows:

The following judicial districts are entitled to two (2) district judges and shall have two (2) numbered divisions of the district court:

(1) First judicial district.
(2) Second judicial district.
(3) Third judicial district.
(4) Fourth Judicial District.
(5) Fifth Judicial District.
(6)[(4)] Eighth judicial district.
(7)[(5)] Ninth judicial district.
(8) Tenth Judicial District.
(9)[(6)] Eleventh judicial district.
(10)[(7)] Twelfth judicial district.
(11)[(8)] Thirteenth judicial district.
[(9) Fourteenth judicial district.]
(12) Fifteenth Judicial District.
(13)[(10)] Eighteenth judicial district.
(14) Twentieth Judicial District.
(15)[(11)] Twenty-first judicial district.
(16) Twenty-sixth Judicial District.
(17)[(12)] Twenty-seventh judicial district.
(18)[(13)] Twenty-eighth judicial district.
(19)[(14)] Twenty-ninth judicial district.
(20) Thirty-first Judicial District.
(21)[(15)] Thirty-second judicial district.
(22) Thirty-third Judicial District.
(23) Thirty-fourth Judicial District.
(24)[(16)] Thirty-fifth judicial district.
(25) Thirty-sixth Judicial District.
(26)[(17)] Thirty-eighth judicial district.
(27) Thirty-ninth Judicial District.
(28) Fortieth Judicial District.
(29) Forty-first Judicial District.
(30) Forty-second Judicial District.
(31) Forty-third Judicial District.
(32) Forty-fourth Judicial District.
(33) Forty-fifth Judicial District.
(34)[(18)] Forty-sixth judicial district.
(35) Forty-eighth Judicial District.
(36) Fiftieth Judicial District.
(37)[(19)] Fifty-first judicial district.
(38)[(20)] Fifty-third judicial district.
(39)[(21)] Fifty-fourth judicial district.
(40)[(22)] Fifty-sixth judicial district.

Section 5. KRS 24A.060 is amended to read as follows:

The following judicial districts are entitled to three (3) district judges and shall have three (3) numbered divisions of the district court:

(1) Sixth Judicial District.
(2) Fourteenth Judicial District.
(3)[(2)] Seventeenth Judicial District.
[(3) Twenty-fifth Judicial District.]

Section 6. KRS 24A.070 is amended to read as follows:

The *following* [Sixteenth] judicial *districts are* [district is] entitled to four (4) district judges and shall have four (4) numbered divisions of the district court*:*

(1) Sixteenth Judicial District.
(2) Twenty-fifth Judicial District.

Section 7. Until the next regular elections of circuit judges and commonwealth's attorneys respectively these offices newly created by this Act shall be filled as provided by Sections 118 and 152 of the Constitution. At the next regular elections of circuit judges and commonwealth's attorneys respectively these offices shall be filled for entire terms.

Section 8. For funding purposes, there is appropriated to the Court of Justice and the Judicial Retirement Board, out of the general expenditure fund in the state treasury, for the fiscal years 1980-81 and 1981-82, the following respective amounts (The appropriation to the Judicial Retirement Board being an amount equal to 19.25% of the salaries of the judges provided for by this Act.):

1980-81 - $2,261,416
1981-82 - $2,263,094

The Committee Substitute to **HB 489** is as follows:

HB 489, AN ACT relating to trial courts and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 23A.040 is amended to read as follows:

The following judicial circuits are entitled to two (2) judges and shall have two (2) numbered divisions of the circuit court:

(1) Second Judicial Circuit.
(2) Third Judicial Circuit.
(3)[(2)] Sixth Judicial Circuit.
(4)[(3)] Eighth Judicial Circuit.
(5)[(4)] Ninth Judicial Circuit.
(6)[(5)] Seventeenth Judicial Circuit.
(7) Twenty-fourth Judicial Circuit.
(8) Twenty-fifth Judicial Circuit.
(9) Twenty-seventh Judicial Circuit.
(10)[(6)] Thirty-second Judicial Circuit.
(11)[(7)] Thirty-fifth Judicial Circuit.
(12)[(8)] Forty-eighth Judicial Circuit.

Section 2. KRS 24A.030 is amended to read as follows:

The state is divided into judicial districts, each to be composed of the following counties:

(1) First Judicial District. Ballard, Carlisle, Fulton and Hickman.
(2) Second Judicial District. McCracken.
(3) Third Judicial District. Christian.
(4) Fourth Judicial District. Hopkins.
(5) Fifth Judicial District. Crittenden, Union and Webster.
(6) Sixth Judicial District. Daviess.
(7) Seventh Judicial District. Logan and Todd.
(8) Eighth Judicial District. Warren.
(9) Ninth Judicial District. Hardin.
(10) Tenth Judicial District. Hart, Larue and Nelson.
(11) Eleventh Judicial District. Green, Marion, Taylor and Washington.
(12) Twelfth Judicial District. Henry, Oldham and Trimble.
(13) Thirteenth Judicial District. Garrard, Jessamine and Lincoln.
(14) Fourteenth Judicial District. Bourbon, Scott and Woodford.
(15) Fifteenth Judicial District. Carroll, Grant and Owen.
(16) Sixteenth Judicial District. Kenton.
(17) Seventeenth Judicial District. Campbell.
(18) Eighteenth Judicial District. Harrison, Nicholas, Pendleton and Robertson.
(19) Nineteenth Judicial District. Bracken, Fleming and Mason.
(20) Twentieth Judicial District. Greenup and Lewis.

(21) Twenty-first Judicial District. Bath, Menifee, Montgomery and Rowan.
(22) Twenty-second Judicial District. Fayette.
(23) Twenty-third Judicial District. Estill, Lee and Owsley.
(24) Twenty-fourth Judicial District. Lawrence, Johnson and Martin.
(25) Twenty-fifth Judicial District. Clark and Madison.
(26) Twenty-sixth Judicial District. Harlan.
(27) Twenty-seventh Judicial District. Knox and Laurel.
(28) Twenty-eighth Judicial District. Pulaski and Rockcastle.
(29) Twenty-ninth Judicial District. Adair, *Clinton* [Casey], Cumberland and Monroe.
(30) Thirtieth Judicial District. Jefferson.
(31) Thirty-first Judicial District. Floyd.
(32) Thirty-second Judicial District. Boyd.
(33) Thirty-third Judicial District. Perry.
(34) Thirty-fourth Judicial District. Whitley and McCreary.
(35) Thirty-fifth Judicial District. Pike.
(36) Thirty-sixth Judicial District. Magoffin and Knott.
(37) Thirty-seventh Judicial District. Carter, Elliott and Morgan.
(38) Thirty-eighth Judicial District. Butler, Edmonson, Ohio and Hancock.
(39) Thirty-ninth Judicial District. Breathitt, Wolfe and Powell.
(40) Fortieth Judicial District. *Casey* [Clinton], Russell and Wayne.
(41) Forty-first Judicial District. Clay, Jackson and Leslie.
(42) Forty-second Judicial District. Calloway and Marshall.
(43) Forty-third Judicial District. Barren and Metcalfe.
(44) Forty-fourth Judicial District. Bell.
(45) Forty-fifth Judicial District. Muhlenberg and McLean.
(46) Forty-sixth Judicial District. Breckinridge, Grayson, and Meade.
(47) Forty-seventh Judicial District. Letcher.
(48) Forty-eighth Judicial District. Franklin.
(49) Forty-ninth Judicial District. Allen and Simpson.
(50) Fiftieth Judicial District. Boyle and Mercer.
(51) Fifty-first Judicial District. Henderson.
(52) Fifty-second Judicial District. Graves.
(53) Fifty-third Judicial District. Shelby, Anderson and Spencer.
(54) Fifty-fourth Judicial District. Boone and Gallatin.
(55) Fifty-fifth Judicial District. Bullitt.
(56) Fifty-sixth Judicial District. Caldwell, Livingston, Lyon and Trigg.

Section 3. KRS 24A.050 is amended to read as follows:

The following judicial districts are entitled to two (2) district judges and shall have two (2) numbered divisions of the district court:

(1) First judicial district.
(2) Second judicial district.
(3) Third judicial district.
(4) *Fourth Judicial District.*
(5) Eighth judicial district.
(6)[(5)] Ninth judicial district.
(7) Tenth Judicial District.
(8)[(6)] Eleventh judicial district.
(9)[(7)] Twelfth judicial district.
(10)[(8)] Thirteenth judicial district.
(11)[(9)] Fourteenth judicial district.
(12) Fifteenth Judicial District.
(13)[(10)] Eighteenth judicial district.
(14)[(11)] Twenty-first judicial district.
(15) Twenty-fourth Judicial District.
(16)[(12)] Twenty-seventh judicial district.
(17)[(13)] Twenty-eighth judicial district.
(18)[(14)] Twenty-ninth judicial district.
(19)[(15)] Thirty-second judicial district.
(20) Thirty-fourth Judicial District.
(21)[(16)] Thirty-fifth judicial district.
(22)[(17)] Thirty-eighth judicial district.

(23) *Forty-first Judicial District.*
(24)[(18)] Forty-sixth judicial district.
(25) *Forty-eighth Judicial District.*
(26) *Fiftieth Judicial District.*
(27)[(19)] Fifty-first judicial district.
(28)[(20)] Fifty-third judicial district.
(29)[(21)] Fifty-fourth judicial district.
(30)[(22)] Fifty-sixth judicial district.

Section 4. Until the next regular elections of circuit judges and commonwealth's attorneys respectively these offices newly created by this Act shall be filled as provided by Sections 118 and 152 of the Constitution. At the next regular elections of circuit judges and commonwealth's attorneys respectively these offices shall be filled for entire terms.

Section 5. For funding purposes, there is appropriated to the Court of Justice and the Judicial Retirement Board, out of the general expenditure fund in the state treasury, for the fiscal years 1980-81 and 1981-82, the following respective amounts (The appropriation to the Judicial Retirement Board being an amount equal to 19.25% of the salaries of the judges provided for by this Act.):

1980-81 - $ 957,372
1981-82 - $ 918,764

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Cities: **SB 216.**

Transportation: **HB 860, HR 105, HR 106, HR 107.**

Judiciary: **SB 249.**

Health and Welfare: **HB 952.**

Elections and Constitutional Amendments: **HB 725.**

Motions, Petitions, and Communications (continued)

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 1 to **HB 288,** by Representative Little, is as follows:

Amend printed copy of **HB 288,** on page 5, line 24, delete the words " and board review"

Floor Title Amendment to **HB 298,** by Representative Wilborn, is as follows:

Amend printed copy of **HB 298,** on page 1, new title to read: "AN ACT relating to hazardous positions"

Floor Amendment No. 1 to **HB 298,** by Representative Wilborn, is as follows:

Amend printed copy of **HB 298,** on page 1, line 5, insert after the first comma "," the following words "explosive blasting,"

Floor Amendment No. 1 to the Committee Substitute to **HB 328,** by Representative Hancock, is as follows:

Amend printed copy of Committee Substitute for **HB 328,** page 3, after line 4 by adding the following:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

Any surface estate owner receiving compensation from any instrument discussed in Section 2 of this Act after the effective date of this Act shall not receive an amount greater than the value received when the said instrument originally was executed."

Floor Amendment No. 2 by Representatives Overstreet and Deskins, to Committee Substitute to **HB 328,** is as follows:

Amend printed copy of Committee Substitute for **HB 328,** on page 3, line 5 by adding:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

In any deed in which the minerals are severed from the surface, the present owners of the surface rights may enter into a written agreement directing how the surface shall be reclaimed, and how the property shall be left after the extraction of the minerals, and in compliance with federal rules and regulations."

Floor Amendment No. 2 to Committee Substitute to **HB 669,** by Representative Heleringer, is as follows:

Amend printed copy of Committee Substitute to **HB 669,** on page 10, line 7, insert the following:

"SECTION 5. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 19 IS CREATED TO READ AS FOLLOWS:

No insurer shall refuse to sell or renew a policy of credit life insurance solely because of the age of the applicant or the insured."

Floor Amendment No. 1 to **HCR 78,** by Representative Dawahare, is as follows:

Amend printed copy of House Concurrent Resolution 78, page 1, line 3, by inserting after the word "plants" the words "and liquifaction and gasification plants".

Representative Boswell moved that the rules be suspended for the purpose making a motion concerning co-sponsors of Bills and Resolutions.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 109: Representatives Bronger, Yates, Patrick, Burch, Deskins, Stumbo, Stone.

HB 563: Representative DeMarcus.

The following meeting were announced:

Counties and Special Districts: Monday, 1:00 p.m., House Chamber.

Appropriations and Revenue: On adjournment, today, Room 246.

Appropriations and Revenue: Monday, 9:00 a.m., Room A.

Business Organizations and Professions: Monday, 1:00 p.m., Room 9.

Labor and Industry: Monday, fifteen minutes after adjournment, Room 307.

Transportation: Special meeting, Monday, 11:00 a.m., State Reception Room.

Health and Welfare: Monday, 12 noon, Room 307.

State Government: Monday, 12 noon, House Chamber.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Monday, March 17, 1980.

On the roll call the vote was yeas 56-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brown, Bruce, Burch, Caldwell, Clark, Clarke, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Foster, Freibert, Fryman, Gray, Hancock, Head, Hines, Holbrook, Isler, Johnson, Kidd, Layman, Lewis, List, McBee, Moberly, Morris, Nett, O'Brien, Patrick, Petty, Plummer, Priddy, Rapier, Reynolds, B. Richardson, P. Richardson, Riner, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, Wilborn, Wright, Yates. Nays 12-Blythe, Davenport, Deskins, Dunn, Heleringer, LeMaster, Little, Noe, Overstreet, Pearman, Robinson, Turner.

The motion to adjourn was adopted.

MONDAY, MARCH 17, 1980

FORTY-FIFTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Father J. Williamson Brown, Jr., Church of the Ascension, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Foster.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 14, 1980, be dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions.

Appropriations and Revenue: **SB 102, SB 79.**

Banking and Insurance: **SB 237.**

Counties and Special Districts: **SB 365.**

Education: **SB 72.**

Energy: **HR 115.**

Health and Welfare: **SB 193, SB 114.**

Judiciary: **SB 277.**

Natural Resources and Environment: **SB 213.**

State Government: **SB 243, SR 42.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Cities: **SB 153, SB 253, SB 116.**

Judiciary: **HB 790, HB 861, HB 960, HB 870.**

Report of Committees

The Committee on Rules reported **HB 271, HB 507, HB 612, HB 627, HB 631, HB 653, HB 659, HB 695, HB 702, HB 703, HB 712, HB 717, HB 729, HB 730, HB 734, HB 737, HB 738, HB 753, HB 754, HB 766, HB 796, HB 844, HB 853, HB 857, HB 864, HB 874, HB 909, HB 919, HB 920, HB 936, HJR 34, HCR 83, HCR 87, HCR 94, HJR 104,** and **SB 27** have been posted for passage in Orders of the Day, March 18, 1980.

The Committee on Rules reported **HB 317** has been recommitted to the Committee on State Government.

The Committee on Appropriations and Revenue reported **HB 931, HB 968, HB 970,** and **HB 973** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 931, AN ACT relating to appropriations for the operation, maintenance, support and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I
GENERAL FUND

There is appropriated out of the General Fund for the fiscal year ending June 30, 1980, and, including any unappropriated surplus to the General Fund as of June 30, 1980, for the fiscal year beginning July 1, 1980, and ending June 30, 1981, and, including any unappropriated surplus to the General Fund as of June 30, 1981, for the fiscal year beginning July 1, 1981, and ending June 30, 1982, the following sums for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, and agencies of the State Government, and any and all other activities of the government of the Commonwealth of Kentucky subject to the provisions of Chapters 21, 42 and 45 of the Kentucky Revised Statutes, for which a specific appropriation is in Part I listed as follows:

A. GENERAL GOVERNMENT

1. GOVERNOR

1980-81	$ 1,716,500
1981-82	$ 1,830,200

2. LIEUTENANT GOVERNOR

1980-81	$ 431,000
1981-82	$ 468,500

3. SECRETARY OF STATE
   a. General Operations

1980-81	$ 754,900
1981-82	$ 780,300

   b. Restoration of Land Grant Books

1980-81	$ 47,000
1981-82	$ 47,000

TOTAL - SECRETARY OF STATE

1980-81	$ 801,900
1981-82	$ 827,300

4. BOARD OF ELECTIONS

1980-81	$ 1,156,300
1981-82	$ 1,228,600

Included in the above appropriation is $775,000 in fiscal year 1980-81 and $730,000 in fiscal year 1981-82 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.105). Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund. Any expenses in excess of the above amounts shall be deemed a necessary governmental expense.

5. TREASURY

1980-81	$ 1,002,900

1981-82 .... $ 1,045,600

6. DEPARTMENT OF LAW

1980-81 .... $ 3,387,700
1981-82 .... $ 3,726,400

7. AUDITOR OF PUBLIC ACCOUNTS

1980-81 .... $ 1,966,700
1981-82 .... $ 2,232,700

The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits.

No state agency shall enter into any contract with a non-governmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

Any expenses incurred in the auditing of federal disaster relief funds shall be deemed a necessary governmental expense.

The Auditor shall maintain a record of all time and expenses for each audit or investigation.

8. OFFICE FOR PROGRAM ADMINISTRATION

1980-81 .... $ 314,500
1981-82 .... $ 331,400

9. CAPITAL PLAZA

1980-81 .... $ 1,345,600
1981-82 .... $ 1,345,400

10. COUNTY COSTS

1980-81 .... $ 20,504,600
1981-82 .... $ 20,689,600

All county costs funded by the General Fund are deemed to be necessary governmental expenses and additional funds may be allotted from the General Fund surplus by the Secretary of the Department of Finance.

11. DEPARTMENT OF FINANCE

a. State Planning Fund

1980-81 .... $ 2,100,000
1981-82 .... $ 2,100,000

Any portion of the above appropriation for the State Planning Fund may be transferred to other major program areas or agencies of state government for the purpose of funding planning activities approved by the State Planning Committee. Any unexpended balance at the close of the 1980-81 fiscal year shall not lapse, but shall continue into the 1981-82 fiscal year.

b. General Operations

1980-81 .... $ 13,451,100
1981-82 .... $ 14,284,200

Included in the above appropriation is $150,000 each fiscal year for payment to the city of Frankfort for the provision of fire and police protection and other services for state owned property in accordance with KRS 45.155.

c. Salary Improvements for State Employees

1980-81 .... $ 11,800,000
1981-82 .... $ 31,600,000

Any portion of the above appropriation may be transferred to any major program area or agency of state government for the purpose of meeting salary and benefit improvements for state employees as determined to be needed by the Department of Finance based upon the recommendation of the Department of Personnel.

Any unexpended balance in the account for salary improvements for state employees at the close of the 1979-80 fiscal year shall not lapse, but shall continue into the 1980-81 fiscal year. Also, any unexpended balance in the account for salary improvements for state employees at the close of the 1980-81 fiscal year shall not lapse, but shall continue into the 1981-82 fiscal year.

d. Coal Severance Economic Aid Fund

1980-81	$ 7,280,000
1981-82	$ 8,224,000

Any unexpended balance at the close of the 1980-81 fiscal year shall not lapse, but shall continue into the 1981-82 fiscal year.

e. Area Development Fund

1980-81	$ 8,657,000
1981-82	$ 9,779,000

Any unexpended balance at the close of the 1980-81 fiscal year shall not lapse, but shall continue into the 1981-82 fiscal year.

f. Fine Arts Center - Debt Service

1981-82	$ 2,800,000

TOTAL - DEPARTMENT OF FINANCE

1980-81	$ 43,288,100
1981-82	$ 68,787,200

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12. GENERAL OBLIGATION BONDS

1980-81	$ 10,434,000
1981-82	$ 10,436,000

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13. COMMISSION ON HUMAN RIGHTS

1980-81	$ 849,400
1981-82	$ 887,500

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14. DEPARTMENT OF MILITARY AFFAIRS

a. General Operations

1979-80	$ 120,000
1980-81	$ 4,477,900
1981-82	$ 4,617,700

Included in the above appropriation is $60,000 in fiscal year 1979-80 for expenses incurred by the Division of Disaster and Emergency Services as a result of the July, 1979 flood.

Included in the above appropriation is $500,000 in fiscal year 1980-81 and $500,000 in fiscal year 1981-82 for emergency expenses incurred by the Division of Disaster and Emergency Services for disasters and emergencies. These funds may only be expended at the recommendation of the Adjutant General to the Governor.

Included in the above appropriation is $125,000 in fiscal year 1980-81 for payment of the state's share of the cost of the Individual and Family Grant program to the Federal government. This payment provides benefits to those individuals affected by the July, 1979 flood.

Any expenditures of funds as a result of the governor's call of the Kentucky National Guard to active duty is hereby declared to be a necessary governmental expense provided, however, that an emergency situation shall have been directed to exist by the Governor.

TOTAL - DEPARTMENT OF MILITARY AFFAIRS

1979-80	$ 120,000
1980-81	$ 4,477,900
1981-82	$ 4,617,700

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15. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Kentucky Athletic Commission

1980-81	$ 52,800
1981-82	$ 51,500

b. Board of Proprietary Education

1980-81	$ 54,000
1981-82	$ 59,200

TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

1980-81	$ 106,800
1981-82	$ 110,700

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16. DEPARTMENT OF PERSONNEL

1980-81	$ 3,313,900

1981-82	$ 4,456,900

Included in the above appropriation is $100,000 in fiscal year 1980-81 and $125,000 in fiscal year 1981-82 for an Automobile Liability Reimbursement program to be administered by the Department of Personnel.

Notwithstanding the provisions of KRS 18.330, the above appropriations are to be used for the prorata cost of administering a merit system of personnel administration for the civil service of the Commonwealth for all departments, commissions, boards, or other agencies which receive support from the General Fund or Revolving Trust and Agency Funds. Said appropriations may also be used for special training programs approved by the Secretary of the Department of Finance.

Relative to merit hearings before the Personnel Board, the particular agency of which the complainant is or was an employee shall bear all of the administrative costs thereof whenever the Personnel Board rules in favor of the complainant, such as for example, but not limited to, the fees of court reporters, the printing or other reproduction expenses related to hearing transcripts, and other related matters. Relative to all appeals resulting from merit hearings of the Personnel Board, including appeals to the Circuit Court, Court of Appeals, or the Supreme Court, the particular agency of which the complainant in said hearing is or was an employee shall bear all of the costs thereof whenever the courts rule in favor of the complainant, chargeable to the Personnel Board, such as for example, but not limited to, legal fees and court costs and fees.

17. DEPARTMENT OF PUBLIC INFORMATION

1980-81	$ 1,817.300
1981-82	$ 1,864,200

Included in the above appropriation is $250,000 in fiscal year 1980-81 and $250,000 in fiscal year 1981-82 for expenditure by the Commissioner of the Department of Public Information for the purpose of promoting the social, cultural, and creative features of the Commonwealth of Kentucky.

18. DEPARTMENT OF REVENUE

1980-81	$ 27,684,600
1981-82	$ 29,086,200

Included in the above appropriation is $9,880,400 in fiscal year 1980-81 and $10,514,200 in fiscal year 1981-82 for property valuation administrators; any expenses in excess of these amounts for property valuation administrators shall be deemed necessary governmental expenses.

19. FINANCIAL DISCLOSURE REVIEW COMMISSION

1980-81	$ 43,900
1981-82	$ 46,200

20. KENTUCKY PUBLIC EMPLOYEE DEFERRED COMPENSATION SYSTEM

1980-81	$ 78,100
1981-82	$ 82,500

21. COMMISSION ON WOMEN

1980-81	$ 112,600
1981-82	$ 114,200

22. UNIFIED PROSECUTORIAL SYSTEM

1980-81	$12,258,800
1981-82	$13,094,400

Included in the above appropriation is $83,400 in each fiscal year for payment of rape victims' hospital examinations. Payments will be made through the Commonwealth Attorney's Office.

23. KENTUCKY HORSE COUNCIL

1980-81	$ 87,700
1981-82	$ 87,700

24. BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD

1980-81	$ 805,800
1981-82	$ 820,000

25. CANCER COMMISSION

1980-81	$ 110,000
1981-82	$ 125,000

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26. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

1980-81	$ 1,104,600
1981-82	$ 1,106,600

All items included within the Appropriations Not Otherwise Classified category shall be deemed necessary governmental expenses, and any expenditure over the above amounts is to be paid from the General Fund surplus. Appropriations Not Otherwise Classified includes the following items:

a. Board of Claims Awards

Funds are appropriated for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under $500 in cases where the operating agency admits negligence shall be paid from funds available for the operations of such agencies.

b. Judgments

For payment of such judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board; such payments, where applicable, shall be subject to the provisions of KRS Chapter 45. Also, to pay medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.892. However, in no event shall the total payments exceed the sum of $5,500,000 in any fiscal year.

c. Prior Year Claims

d. Unredeemed Checks Refunded

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with the provisions of KRS 41.370.

e. Confederate Pensions

f. Blanket Employees Bonds

For payment of premiums on blanket surety bonds as provided by KRS 62.170.

g. Franklin Circuit Court

For purposes of supplies and equipment in accordance with KRS 28.165.

h. Frankfort Planning Commission

i. Frankfort Cemetery

j. Public Improvements

Funds are appropriated for paying assessments for public improvements against property owned by the State, and for which said assessments the State is deemed to be liable.

k. Money Refunded

For refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Department of Finance and the Attorney General.

l. Police and Firemen - Life Insurance

Funds are appropriated for payment of benefits for state and local police and firemen in accordance with KRS 61.315.

m. Workmen's Compensation - Fee officers in counties over 75,000 in population

n. Master Commissioners - Employer Retirement

o. Master Commissioners - Social Security

p. Political Parties - Income Tax Checkoff

Funds are appropriated to pay all amounts designated by taxpayers on their income tax returns for remittance to the political party of their choice in accordance with KRS 141.072.

TOTAL - GENERAL GOVERNMENT

1980-81	$139,201,200
1981-82	$169,448,700

B. DEVELOPMENT

27. OFFICE OF THE SECRETARY

1980-81	$ 960,500
1981-82	$ 5,247,100

Included in the above appropriation is $4,245,000 in fiscal year 1981-82 for debt service payments on the Economic Development Project bonds.

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28. DEPARTMENT OF PARKS

1979-80	$ 250,000
1980-81	$ 16,418,700
1981-82	$ 16,347,100

Included in the above appropriation is $100,000 in fiscal year 1980-81 and $100,000 in fiscal year 1981-82 for the implementation of the "Kentucky Trails System Act" as required by KRS 148.610 through 148.790.

29. DEPARTMENT OF AGRICULTURE

1980-81	$ 6,968,800
1981-82	$ 7,361,400

30. BREAKS INTERSTATE PARK COMMISSION

1980-81	$ 152,100
1981-82	$ 152,100

For matching funds appropriated by the Commonwealth of Virginia relating to construction, maintenance, and operations at the Breaks Interstate Park. In accordance with the Breaks Interstate Compact this appropriation is contingent upon an appropriation by the Commonwealth of Virginia adequate to match this amount on an equal basis; provided, however, that appropriations to date shall be considered cumulatively, and any deficit in appropriations by this state may be removed.

31. DEPARTMENT OF TOURISM

1980-81	$ 4,965,600
1981-82	$ 5,136,300

Included in the above appropriation is $500,000 in fiscal year 1980-81 and $500,000 in fiscal year 1981-82 for Special Events Promotion. These monies may be expended as grants to local communities and organizations for tourist related activities. All grants shall be subject to approval of the Secretary of the Development Cabinet.

32. KENTUCKY HORSE PARK

1980-81	$ 1,553,500
1981-82	$ 1,695,500

33. DEPARTMENT OF COMMERCE

1980-81	$ 5,013,100
1981-82	$ 5,496,300

34. STATE FAIR BOARD

1980-81	$ 6,648,900
1981-82	$ 6,612,500

35. COUNCIL ON AGRICULTURE

1980-81	$ 75,000
1981-82	$ 80,000

36. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1981-82	$ 3,000,000

37. Department for Local Government

1980-81	$ 4,504,200
1981-82	$ 4,723,300

Included in the above appropriation is $300,000 in fiscal year 1980-81 and $300,000 in fiscal year 1981-82 for matching funds for the EDA 304 program. Any unexpended balance at the end of the 1980-81 fiscal year shall not lapse, but shall continue into the 1981-82 fiscal year.

TOTAL - DEVELOPMENT CABINET

1980-81	$ 47,260,400
1981-82	$ 55,851,600

C. EDUCATION

38. OFFICE OF THE SECRETARY

1980-81 .... $ 558,900
1981-82 .... $ 308,900

Included in the above appropriation is $250,000 in fiscal year 1980-81 to examine the policies and procedures of the Commonwealth's educational services.

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39. ARTS COMMISSION

a. General Operations
1980-81 .... $ 379,800
1981-82 .... $ 378,400

b. Challenge Grants
1980-81 .... $ 940,900
1981-82 .... $ 1,126,100

To be distributed to local arts fund raising organizations in accordance with applicable regulations promulgated by the Kentucky Arts Commission.

TOTAL - ARTS COMMISSION
1980-81 .... $ 1,320,700
1981-82 .... $ 1,504,500

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40. DEPARTMENT OF EDUCATION

a. General Administration and Support Services
1980-81 .... $ 5,515,900
1981-82 .... $ 5,615,500

b. Education for Exceptional Children
1) General Operations
1980-81 .... $ 1,408,000
1981-82 .... $ 1,478,200
2) Residential Services
1980-81 .... $ 5,391,300
1981-82 .... $ 5,978,000

Total - Education for Exceptional Children
1980-81 .... $ 6,799,300
1981-82 .... $ 7,456,200

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c. School Foundation Program
1980-81 .... $720,987,200
1981-82 .... $780,182,100

Accumulated earnings for the Common School Fund shall each fiscal year be transferred to the School Foundation Program.

The amount to be included for the 1980-81 school year in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule, for a term of 185 days for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	$14,356	$12,386	$10,416	$8,360	$7,370
4-9 years	16,316	14,356	12,386	8,360	7,370
10 years & over	18,094	16,124	14,154	8,360	7,370

Beginning with the school year 1981-82, the amount to be included in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule, for a term of 185 days, for

Rank	I	II	III	IV	V
Experience					
0-3 years	$15,576	$13,439	$11,301	$9,071	$7,996
4-9 years	17,703	15,576	13,439	9,071	7,996
10 years & over	19,632	17,495	15,357	9,071	7,996

No working budget or salary schedule shall be approved in which the average salary paid any rank of teachers is not at least equivalent to the allotment for that rank, or in which any teacher is paid less than ninety-three percent (93%) of the School Foundation Program allotment for that rank, except where there is a decline in local revenue of the district concerned after it has levied the maximum ad valorem property tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education contends there has been a decline in local tax resources in that district, the State Board for Elementary and Secondary Education shall certify such contention to the Department of Revenue. Said department shall then determine whether or not there has, in fact, been a decline in local tax resources of such district, and, if so, the amount of such decline. The Department of Revenue shall then certify its determination to the State Board for Elementary and Secondary Education, and said Board shall accept such certified determination as final.

The State Board for Elementary and Secondary Education shall not approve any working budgets or salary schedule summaries for local boards of education for the school years 1980-81 and 1981-82 in which the total amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries is not equal to the amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries in the preceding year, plus the additional amount for teachers' salaries received by the district under this appropriation for a 185 day school term by assuming the same classroom units and rank and experience of teachers in the current year as in the preceding year in each local school district.

The allotment to any school district of classroom units, pursuant to KRS 157.360(1) shall not exceed the number of teachers employed by that school district.

Entitlement for basic classroom units obtained in schools of one classification shall not be allocated to schools of another classification. For the purposes of determining such entitlement, classification shall be as follows:

(1) One-teacher schools;

(2) Schools, other than one-teacher schools, with less than one hundred pupils in average daily attendance; and

(3) Schools, other than one-teacher schools, with more than one hundred pupils in average daily attendance.

In the determination of allotments pursuant to KRS 157.360(2), there shall not be allotted a full classroom unit for any non-isolated one-teacher school with fewer than 27 pupils in average daily attendance or for any isolated one-teacher school which has fewer than 12 pupils in average daily attendance.

Notwithstanding the provisions of KRS 157.360(5), (6), and (10) the allotments, provision for which is made under this Act, for classroom units shall be as follows:

	1980-81	1981-82
Vocational Education	2,857	2,900
Exceptional Children	4,210	4,310
Kindergarten	1,100	1,100

Provided, however, that if the budgeted units in any category of classroom units — Vocational Education, Exceptional Children, Kindergarten, classroom units for elementary and secondary schools, and units related to school administration — prove to be excessive, the surplus not to exceed (100) such classroom units may be reallocated to any other category or categories by the Superintendent of Public Instruction, upon the approval of the State Board for Elementary and Secondary Education and the Secretary of the Department of Finance.

The allotments of classroom units shall be made on the average daily attendance for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions: (a) an average daily attendance of eight and four-tenths (8.4) in 1980-81 and nine and six-tenths (9.6) in 1981-82 shall be deducted for each vocational education unit allotted and (b) an average daily attendance of six and three-tenths (6.3) in 1980-81 and seven and two-tenths (7.2) in 1981-82 shall be deducted for each exceptional children unit allotted. The average daily attendance deductions for vocational education units and exceptional children units, described above, shall be used in the calculation of administrative and special instructional services (ASIS) units, as ASIS units relate to vocational education and exceptional children units allotted after 1975-76.

Allotments for classroom units pursuant to KRS 157.360(7) shall only be for those personnel enumerated under said section who are qualified for their respective positions under applicable provisions of law and regulations and who maintain programs which have been approved pursuant to applicable regulations.

The amount to be included in the Foundation Program for other current expenses in the 1980-82 biennium shall be determined by multiplying the number of classroom units by: $3,250 in the 1980-81 school year and $3,580 in the 1981-82 school year. At least 5% of the increase in value of the current expense category per unit from the preceding year over the 1980-82 biennium shall be utilized for purposes of improving salaries for the classified personnel of local school districts.

The amount to be included in the Foundation Program for capital outlay shall be determined by multiplying the number of classroom units by: $1,900 in the 1980-81 school year and $2,000 in the 1981-82 school year.

In accordance with the intent of KRS 162.060 and 162.160, no space shall be rented, purchased, or otherwise acquired and thereafter converted to classroom use without prior approval of the Superintendent of Public Instruction. The State Board for Elementary and Secondary Education may adopt regulations for the housing of school children. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than 185 days in accordance with KRS 158.070 or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the Superintendent of Public Instruction in determining the allotment of classroom units.

Any undistributed balance in the Foundation Program fund at the end of the fiscal year 1980-81 and 1981-82 shall lapse to the General Fund except where provisions to the contrary are provided in this Act. No unexpended portions of the School Foundation Program fund shall be expended at any time for the purpose of KRS 156.610 through 156.650 except as identified in this Act.

The total appropriation for the School Foundation Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 et. seq. If the required expenditures exceed these estimates, the Secretary of the Department of Finance, with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the hereinabove cited sections of the Kentucky Revised Statutes; provided, however, that any such increase, of the total appropriation to the Foundation Program is subject to Part V, General Provisions, Section 8, of this Act, and the provisions of KRS 45.160.

d. Power Equalization

1980-81 .... $ 31,500,000
1981-82 .... $ 31,500,000

Funds are appropriated for the purpose of equalizing expenditures among students in local school districts in accordance with KRS 157.545 - 157.575.

e. Instruction

1980-81 .... $ 12,004,600
1981-82 .... $ 17,680,800

Included in the above appropriation is $8,688,300 in fiscal year 1980-81 and $12,593,000 in fiscal year 1981-82 for the purchase of free textbooks in public schools.

f. Administration and Finance for Local School Systems

1980-81 .... $ 1,372,100
1981-82 .... $ 1,438,700

g. Out-of-District Children

1980-81 .... $ 2,097,000
1981-82 .... $ 2,765,800

Funds are provided for reimbursement to local school districts for programs provided in accordance with KRS 158.135 and applicable regulations. Provided, however, that if sufficient funds are not available to reimburse each district for the total cost of the services, each allocation shall be reduced in accordance with Part V, General Provisions, Section 8 of this Act.

h. Teacher Life Insurance

1980-81 .... $ 771,500
1981-82 .... $ 781,200

For providing life insurance to each full-time certificated and non-certificated employee of local boards of education. If the cost for life insurance exceeds the level of appropriated funds, any unexpended School Foundation Programs funds may be used to offset such expenditures, subject to the approval of the Secretary of the Department of Finance.

i. Committee for School District Audits

1980-81 .... $ 267,900
1981-82 .... $ 293,100

j. Replacement of Student Fees

1980-81	$ 9,022,900
1981-82	$ 8,930,200

To be distributed to local school districts in accordance with appropriate administrative regulations to be promulgated by the Department of Education, for the abolishment of student fees.

k. Teacher Health Insurance

1980-81	$ 18,044,900
1981-82	$ 21,057,200

Funds are provided for the purchase of medical insurance for certificated and non-certificated full-time employees of local boards of education pursuant to applicable statutes and regulations. If the cost for health insurance exceeds the level of appropriated funds, any unexpended School Foundation Program funds may be used to offset such expenditures, subject to the approval of the Secretary of the Department of Finance.

l. State School Lunch Assistance

1980-81	$ 4,193,000
1981-82	$ 4,702,700

m. Vocational Education

1980-81	$ 37,200,700
1981-82	$ 41,609,800

These appropriations include funds for the Division of Adult Education. Included in the above appropriation is $133,105 in fiscal year 1980-81 and $129,875 in fiscal year 1981-82 for debt service on Project 12 Revenue Bonds. Also included is $1,240,000 each year for lease payments to the Kentucky School Building Authority.

n. Rehabilitation Services

1980-81	$ 3,660,900
1981-82	$ 3,839,100

TOTAL - DEPARTMENT OF EDUCATION

1980-81	$853,437,900
1981-82	$927,852,400

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41. KENTUCKY EDUCATIONAL TELEVISION

1980-81	$ 5,484,700
1981-82	$ 5,899,900

Included in the above appropriation is $608,250 in fiscal year 1980-81 and $611,000 in fiscal year 1981-82 for debt service.

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42. HERITAGE COMMISSION

1980-81	$ 367,900
1981-82	$ 386,500

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43. HISTORICAL SOCIETY

1980-81	$ 1,199,700
1981-82	$ 1,234,300

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44. DEPARTMENT OF LIBRARY AND ARCHIVES

1980-81	$ 5,691,500
1981-82	$ 7,431,900

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45. BUREAU FOR THE BLIND

1980-81	$ 961,500
1981-82	$ 988,400

Included in the above appropriation is $395,400 in fiscal year 1980-81 and $400,000 in fiscal year 1981-82 for Kentucky Industries for the Blind.

TOTAL - EDUCATION AND ARTS

1980-81	$869,022,800
1981-82	$945,606,800

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46. KENTUCKY SCHOOL BUILDING AUTHORITY

1980-81	$ 85,000
1981-82	$ 3,949,000

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47. TEACHERS' RETIREMENT SYSTEM

1980-81	$ 88,958,500
1981-82	$100,563,700

For administering and complying with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 through 161.710.

Included in the above appropriation is $1,400,000 in fiscal year 1980-81 and $1,533,000 in fiscal year 1981-82 to cover increased employer contributions for the member universities. This appropriation is contingent upon enabling legislation, and if such legislation is not enacted, the above amounts shall lapse. Pending this legislation, the funds above shall allow a two and two hundred fifteen thousandths percent (2.215%) increase in the employer's contribution rate and a like percentage decrease in the employee's contribution rate.

Notwithstanding the employer contribution rates and benefit improvements effective July 1, 1980 established under the provisions of KRS 161.540(3) and 161.620(1)(b), each year of service performed between July 1, 1941 and July 1, 1982 shall be valued at two percent (2%) of the final average salary. For retirements effective July 1, 1982, and thereafter, the allowance for service performed after July 1, 1982, shall be valued at two and one-half percent (2.5%) of the final average salary for all members not employed by a state university or college, and two percent (2%) of the final average salary for members employed by a state university or college. Prior to July 1, 1982, each member employee shall contribute to the retirement system seven and eighty-four hundreds percent (7.84%) of annual compensation, except where KRS provisions otherwise define employee contributions of members employed by a state university or college. After July 1, 1982, each member employee not employed by a state university or college shall contribute to the retirement system nine and thirty-two hundreds percent (9.32%) of annual compensation.

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48. COUNCIL ON HIGHER EDUCATION

1980-81	$ 10,104,100
1981-82	$ 14,448,900

Included in the above appropriation is $1,702,900 for the 1980-81 fiscal year and $1,790,000 for the 1981-82 fiscal year for the Area Health Education System. Any unexpended balance at the close of the 1980-81 fiscal year for the Area Health Education System shall not lapse, but shall continue into the 1981-82 fiscal year.

Also, included in the above appropriation is $4,301,400 for fiscal year 1980-81 and $8,753,100 for fiscal year 1981-82 for allocation to the institutions of public higher education for the purpose of upgrading faculty and staff salary levels at the universities and community colleges. Also, included in the appropriation for fiscal year 1980-81 is $500,000 for enrollment adjustments. The enrollment adjustment funds shall be used by the Council to offset any tuition loss due to a decline in enrollment. The Council shall notify the institutions of the distribution of the salary adjustment funds on or prior to June 1 preceding the fiscal year for which appropriations are made.

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49. HIGHER EDUCATION ASSISTANCE AUTHORITY

1980-81	$ 3,900,000
1981-82	$ 3,900,000

In each fiscal year $2,000,000 is appropriated for the State Student Incentive Grant Program. The Kentucky Tuition Grant Program is appropriated $1,900,000 in each fiscal year.

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50. UNIVERSITY OF KENTUCKY

1980-81	$135,113,000
1981-82	$150,907,000

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51. UNIVERSITY OF LOUISVILLE

1980-81	$ 74,335,700
1981-82	$ 83,588,100

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52. EASTERN KENTUCKY UNIVERSITY

1980-81	$ 29,957,200
1981-82	$ 33,051,200

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53. WESTERN KENTUCKY UNIVERSITY

1980-81	$ 28,366,600
1981-82	$ 31,294,000

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54. MORECHEAD STATE UNIVERSITY

1980-81	$ 18,418,400
1981-82	$ 20,133,400

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55. MURRAY STATE UNIVERSITY

1980-81	$ 22,668,300
1981-82	$ 24,934,500

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56. KENTUCKY STATE UNIVERSITY

1980-81	$ 9,224,100
1981-82	$ 10,166,700

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57. NORTHERN KENTUCKY UNIVERSITY

1980-81	$ 16,713,700
1981-82	$ 19,554,400

TOTAL - HIGHER EDUCATION

1980-81	$348,801,000
1981-82	$391,978,200

D. HUMAN RESOURCES

58. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Administration

1980-81	$ 27,385,800
1981-82	$ 29,694,700

In the event that any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the bureau, such amount, with the approval of the Governor, may be used for Public Assistance Benefits to the needy in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance. In no instance shall these excess funds be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Department of Finance. Notwithstanding KRS 45.235, any unexpended balance not used for Public Assistance Benefits remaining at the close of the 1980-81 fiscal year shall lapse.

2. Benefits

1980-81	$167,958,100
1981-82	$194,478,800

To be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance.

No portion of this appropriation may be used for the costs of administration except with the prior written approval of the Governor. In no instance shall the unexpended balance carried forward, as provided by KRS 45.235, or any portion thereof be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Department of Finance.

All medical assistance vendor statements for services rendered as a result of bona fide claims for medical care may be paid in the fiscal year in which such statements are received by the paying agency.

b. Bureau for Manpower Services

1980-81	$ 596,600
1981-82	$ 607,600

c. Bureau for Health Services

1980-81	$ 83,787,100
1981-82	$ 92,230,800

d. Bureau for Social Services

1980-81	$ 30,308,700
1981-82	$ 32,297,100

e. Executive Policy Support

1980-81	$ 14,727,000
1981-82	$ 14,956,800

TOTAL - HUMAN RESOURCES

1980-81	$324,763,300
1981-82	$364,265,800

E. JUDICIARY

59. JUDICIARY

a. Court Operation and Administration

1980-81	$ 37,455,000
1981-82	$ 40,002,800

To be used for the purposes of the Supreme Court, Court of Appeals, Circuit Court, District Court, the Administrative Office of the Court, Pretrial Services, Judicial Boards and Commissions, the State Law Library, and for services performed by the Circuit Clerk offices, including both circuit and district court support.

Included in the above appropriation is $562,700 in fiscal year 1980-81 and $1,263,200 in fiscal year 1981-82 to be used for salary improvements for judicial support personnel. The specific allocation of these funds shall be made by Administrative Office of the Courts at the direction of the Chief Justice.

b. Judicial Retirement and Retirement Board

1980-81	$ 1,935,000
1981-82	$ 1,945,400

To be used for the purposes of funding and the administration of the Judicial Retirement System.

c. Local Facility Support

1980-81	$ 5,566,400
1981-82	$ 5,956,000

To be used to fund court facilities in support of the Court of Justice.

TOTAL - JUDICIARY

1980-81	$ 44,956,400
1981-82	$ 47,904,200

F. JUSTICE

60. DEPARTMENT OF JUSTICE

a. Bureau of Training

1980-81	$ 2,250,300
1981-82	$ 2,369,100

b. Bureau of Corrections

1980-81	$ 37,369,400
1981-82	$ 43,232,900

Included in the above appropriation is $2,500,000 in fiscal year 1981-82 for debt service payments on the bond issue for the new correctional institution. To the extent that these funds, or any part thereof, may not needed to meet debt service requirements, they shall lapse to the credit of the General Fund.

c. Bureau of State Police

1979-80	$ 1,385,700
1980-81	$ 51,207,200
1981-82	$ 54,720,800

Any extraordinary expenditures of funds as a result of the Governor's call of the Kentucky State Police to extraordinary duty is hereby declared to be a necessary governmental expense; provided, however, that an emergency situation shall have been declared to exist by the Governor.

d. Office for Public Advocacy

1980-81	$ 3,895,300
1981-82	$ 4,026,800

e. Justice Administration

1980-81	$ 9,153,000
1981-82	$ 9,328,700

The annual criminal justice plan developed by the Department of Justice as required by Federal law shall be submitted upon publication to the Interim Joint Appropriations and Revenue Committee.

TOTAL - DEPARTMENT OF JUSTICE

1979-80	$ 1,385,750
1980-81	$103,875,200
1981-82	$113,678,300

G. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

61. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1980-81	$ 6,956,800
1981-82	$ 7,729,800

Not less than $60,000 of the appropriation for each fiscal year shall be set aside for emergency forest fire suppression. Any expenditure for emergency fire suppression in excess of this amount in either fiscal year is hereby declared to be a necessary government expense; provided, however, that an emergency situation shall have been declared to exist by the Governor.

b. Bureau for Environmental Protection

1979-80	$ 491,500
1980-81	$ 6,991,700
1981-82	$ 7,521,500

In the event that enabling legislation to implement a vehicle emissions inspection program is not enacted by the 1980 General Assembly, $216,200 in fiscal year 1980-81 and $298,700 in fiscal year 1981-82 of the above appropriations shall remain unallotted and shall lapse to the credit of the General Fund.

Included in the above appropriation is $1,200,000 in fiscal year 1980-81 and $1,200,000 in fiscal year 1981-82 for the maintenance, operations, and improvements necessary at Maxey Flats.

c. Bureau for Surface Mining Reclamation and Enforcement

1980-81	$ 4,635,600
1981-82	$ 4,413,600

Any extraordinary expenditure of funds which may result from the Commonwealth's efforts to attain primacy under Public Law 95-87 may be deemed to be a necessary government expense by written order of the Governor only upon certification as to need from the Secretary for Natural Resources and Environmental Protection to the Governor and upon written recommendation of the Secretary of Finance to the Governor as to the advisability of such an expenditure.

d. General Administration and Support

1980-81	$ 2,434,900
1981-82	$ 2,598,900

TOTAL - DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1979-80	$ 491,500
1980-81	$ 21,019,000
1981-82	$ 22,263,800

62. ENVIRONMENTAL QUALITY COMMISSION

1980-81	$ 49,900
1981-82	$ 53,200

63. KENTUCKY NATURE PRESERVES COMMISSION

1980-81	$ 139,900
1981-82	$ 148,700

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1979-80	$ 491,500
1980-81	$ 21,208,800
1981-82	$ 22,465,700

H. PUBLIC PROTECTION AND REGULATION

64. OFFICE OF THE SECRETARY

1980-81	$ 226,300
1981-82	$ 245,800

65. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1980-81	$ 1,052,900
1981-82	$ 1,111,100

66. DEPARTMENT OF BANKING AND SECURITIES

1980-81	$ 1,879,800
1981-82	$ 1,975,300

Notwithstanding the provision of KRS 47.130, receipts collected by the Department shall be deposited to the credit of the General Fund.

67. BOARD OF TAX APPEALS

1980-81	$ 126,200
1981-82	$ 137,000

68. DEPARTMENT OF INSURANCE

1980-81	$ 1,813,900
1981-82	$ 1,803,700

69. DEPARTMENT OF LABOR

1980-81	$ 1,398,100
1981-82	$ 1,429,700

Included in the above appropriation is $72,000 in fiscal year 1980-81 and $45,000 in fiscal year 1981-82 for the Western Kentucky Area Labor-Management Committee.

70. REGISTRY OF ELECTION FINANCE

1980-81	$ 223,600
1981-82	$ 235,600

71. DEPARTMENT OF MINES AND MINERALS

1980-81	$ 4,366,300
1981-82	$ 5,304,700

72. ENERGY AND UTILITY REGULATORY COMMISSIONS

1980-81	$ 1,507,400
1981-82	$ 2,452,800

73. KENTUCKY STATE RACING COMMISSION

1980-81	$ 320,600
1981-82	$ 337,400

74. KENTUCKY HARNESS RACING COMMISSION

1980-81	$ 406,600
1981-82	$ 430,300

75. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1980-81	$ 4,493,900
1981-82	$ 5,689,000

Included in the above appropriation is $1,000,000 in fiscal year 1980-81 and $2,000,000 in fiscal year 1981-82 for the Firefigher's Pay Incentive program. In the event enabling legislation authorizing this program is not enacted by the 1980 General Assembly these funds shall remain unallotted and lapse to credit of the General Fund.

TOTAL - PUBLIC PROTECTION AND REGULATION

1980-81	$ 17,815,600
1981-82	$ 21,152,400

I. TRANSPORTATION

76. DEPARTMENT OF TRANSPORTATION

a. Air Transportation

1980-81	$ 2,245,300
1981-82	$ 2,264,600

Included in the above appropriation is $2,126,800 in fiscal year 1980-81 and $2,139,800 in fiscal year 1981-82 for the Airport Development Fund. The total General Fund appropriation stated above may be transferred for administrative purposes to the Transportation Fund for allotment and expenditure.

b. Water Transportation

1980-81	$ 1,132,200
1981-82	$ 1,188,300

The total General Fund appropriation stated above may be transferred for administrative purposes to the Transportation Fund for allotment and expenditure.

c. Rail Transportation

1980-81	$ 199,800
1981-82	$ 206,700

The total General Fund appropriation stated above may be transferred for administrative purposes to the Transportation Fund for allotment and expenditure.

d. Public Transportation

1980-81	$ 998,400
1981-82	$ 960,900

Included in the above appropriation is $500,000 each fiscal year for the purchase of general municipal transportation vehicles. The total General Fund appropriation stated above may be transferred for administrative purposes to the Transportation Fund for allotment and expenditure.

e. General Administration and Support

1980-81	$ 642,600
1981-82	$ 653,200

The total General Fund appropriation stated above may be transferred for administrative purposes to the Transportation Fund for allotment and expenditure.

f. Highways

1) Bureau of Vehicle Regulation (Except Division of Water Enforcement)

1980-81	$ 5,697,600
1981-82	$ 5,025,500

The total General Fund appropriation stated above may be transferred for administrative purposes to the Transportation Fund for allotment and expenditure.

2) Energy Road Fund

1980-81	$ 18,888,000
1981-82	$ 29,534,000

These funds are appropriated to the Energy Road Fund. This fund shall be used for the construction or reconstruction, repair and maintenance of any public highway, road, street or bridge in "coal producing counties" as defined by law. Included in the above appropriations for fiscal year 1980-81 and for fiscal year 1981-82 is 9.6% of the official coal severance tax estimate as prescribed in KRS 177.960. In addition, in fiscal year 1981-82 an amount equal to one twenty-fourth of the estimated coal severance tax receipts for fiscal year 1980-81 is included. The Secretary of the Department of Finance shall have authority to adjust the appropriation for fiscal year 1981-82 based on one twenty-fourth of the actual coal severance tax receipts for fiscal year 1980-81 as prescribed in KRS 177.960. The total General Fund appropriation stated above may be transferred for administrative purposes to the Transportation Fund for allotment and expenditure.

3) Coal Impact Road Fund

1981-82	$ 3,444,000

The above appropriation is 1.75% of the estimated coal severance tax receipts for fiscal year 1980-81 as prescribed by KRS 177.970. The Secretary of the Department of Finance shall have the authority to adjust this appropriation based on the actual coal severance tax receipts for fiscal year 1980-81 as prescribed by KRS 177.970. These funds shall be expended for the construction and/or maintenance of roads and bridges in counties impacted by the transportation of coal as defined by law. The total General Fund appropriation stated above may be transferred for administrative purposes to the Transportation Fund for allotment and expenditure.

TOTAL - DEPARTMENT OF TRANSPORTATION

1980-81	$ 29,803,900
1981-82	$ 43,277,200

J. ENERGY

77. DEPARTMENT OF ENERGY

a. General Operations

1980-81	$ 8,197,200
1981-82	$ 9,727,200

Included in the above appropriation are funds for the Kentucky Geological Survey.

b. Demonstration Trust Fund

1980-81	$ 3,000,000
1981-82	$ 6,000,000

Included in the above appropriation in fiscal year 1981-82 is $3,000,000 in accordance with the provisions of KRS 152.757. In the event that project bonds are not sold, these funds shall remain unallotted and shall lapse to General Fund surplus.

TOTAL - DEPARTMENT OF ENERGY

1980-81	$ 11,197,200
1981-82	$ 15,727,200

PART II
TRUST AND AGENCY FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1981, and for the fiscal year ending June 30, 1982, all of the fees (which include fees for board and room, athletics, and student activities) and rental, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, Federal grants and other Federal funds received, contributions, income from investments and other miscellaneous receipts produced or received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Trust and Revolving, or an Agency Fund out of which shall be established separate Trust and Revolving or Agency Fund accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All funds received are appropriated and shall be deposited in the State Treasury and credited to the proper account as provided by KRS Chapters 12, 42, and 45.

In the event receipts received and credited to any Trust and Revolving or Agency Fund account during fiscal year 1980-81 or fiscal year 1981-82 and any balance forwarded to the credit of any such account from the previous fiscal year exceed the appropriation made by specific sum to said account for the fiscal year in which the excess occurs; provided, however, that with the exception of Federal grants and other Federal funds received, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the Executive Director of the Office for Policy and Management upon approval of the Secretary of the Department of Finance.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Trust and Revolving or Agency Fund account, through the Department of Finance, during the fiscal year ending June 30, 1981, and during the fiscal year ending June 30, 1982, all receipts placed to the credit of the Trust and Revolving or Agency Fund for such year, out of which has been established a Trust and Revolving or Agency Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Department of Finance. On or before the beginning of each fiscal year, each agency shall submit to the Department of Finance and schedules showing estimated receipts and estimated expenditures by quarterly period.

A. GENERAL GOVERNMENT

1. AUDITOR OF PUBLIC ACCOUNTS

a. Auditing County Governments

2. SECRETARY OF STATE

Notwithstanding the provisions of KRS 118.610, 271A.625, KRS 271A.630, KRS 271A.635, and KRS 56.300; all the operating receipts from all activities of the office of the Secretary of State shall be deposited in the State Treasury to the credit of the General Fund.

2. TREASURY

1980-81	$ 168,600
1981-82	$ 171,400

3. DEPARTMENT OF LAW

4. CAPITAL PLAZA

a. General Operations
b. Debt Service

5. DEPARTMENT OF FINANCE

All funds received under any program of anti recession or counter cyclical assistance enacted by the United States Congress are hereby appropriated to the Department of Finance to be used for the maintenance of basic services in and among the various agencies, cabinets, and departments of state government. Any portion of these funds may be transferred to other major program areas or agencies of state government for the purpose of continuing basic services; provided, however, that such transfers shall be used to reduce General Fund appropriations and shall not in any way increase the expenditure level authorized by the General Assembly.

6. KENTUCKY RETIREMENT SYSTEMS

7. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

		1980-81	1981-82
a.	Board of Accountancy	$133,700	$142,700
b.	Board of Architects	$ 81,100	$ 79,000
c.	Board of Auctioneers	$ 70,900	$ 74,900
d.	Board of Barbers	$110,300	$110,800
e.	Board of Chiropractic Examiners	$ 39,000	$ 39,000
f.	Board of Dental Examiners	$109,300	$116,200
g.	Board of Embalmers and Funeral Directors	$ 52,700	$ 57,500
h.	Board of Engineers and Land Surveyors	$133,500	$139,500
i.	Board of Hairdressers and Cosmetologists	$335,600	$358,300
j.	Board of Hearing Aid Dealers	$ 10,000	$ 10,200
k.	Board of Landscape Architecture	$ 10,600	$ 11,100
l.	Board of Medical Licensure	$177,600	$185,000
m.	Board of Nurses	$409,600	$453,800
n.	Nursing Home Administrators Licensure Board	$ 32,800	$ 32,800
o.	Board of Ophthalmic Dispensers	$ 9,100	$ 9,600

43. KENTUCKY STATE UNIVERSITY

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44. NORTHERN KENTUCKY UNIVERSITY

D. HUMAN RESOURCES

45. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance		
	1980-81	$523,642,200
	1981-82	$577,839,000
b. Bureau for Manpower Services		
	1980-81	$ 81.621,000
	1981-82	$ 87,621,700
c. Bureau for Health Services		
	1980-81	$ 59,664,100
	1981-82	$ 60,192,100
d. Bureau for Social Services		
	1980-81	$ 68,591,800
	1981-82	$ 70,702,800
e. Executive Policy Support		
	1980-81	$ 20,917,200
	1981-82	$ 22,501,300

E. JUDICIARY

46. JUDICIARY

1980-81	$ 955,800
1981-82	$ 506,700

F. JUSTICE

47. DEPARTMENT OF JUSTICE

a. Bureau of Training		
	1980-81	$ 235,200
	1981-82	$ 192,000
b. Bureau of Corrections		
	1980-81	$ 1,500,400
	1981-82	$ 1,551,900
c. Bureau of State Police		
	1980-81	$ 400,000
	1981-82	$ 400,000
d. Office for Public Advocacy		
	1980-81	$ 331,200
	1981-82	$ 136,200
e. Justice Administration		
	1980-81	$ 5,455,300
	1981-82	$ 4,944,800

G. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

48. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
a. Bureau for Natural Resources
b. Bureau for Environmental Protection

21. KENTUCKY STATE HORSE PARK

1980-81	$ 2,456,000
1981-82	$ 2,677,000

22. STATE FAIR BOARD

23. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1980-81	$ 1,200,000
1981-82	$ 2,057,800

C. EDUCATION

24. ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

25. OFFICE OF THE SECRETARY

26. ARTS COMMISSION

27. DEPARTMENT OF EDUCATION
    a. General Administration and Support Services
    b. Education for Exceptional Children
    c. Instruction
    d. Administration and Finance for Local School Systems
    e. Vocational Education
    f. Rehabilitation Services
    g. Bureau of Federally Related Programs

28. KENTUCKY EDUCATIONAL TELEVISION

29. HERITAGE COMMISSION

30. HISTORICAL SOCIETY

31. DEPARTMENT OF LIBRARY AND ARCHIVES

32. BUREAU FOR THE BLIND

33. KENTUCKY SCHOOL BUILDING AUTHORITY

34. TEACHERS' RETIREMENT SYSTEM

35. COUNCIL ON HIGHER EDUCATION

1980-81	$ 564,000
1981-82	$ 303,500

36. HIGHER EDUCATION ASSISTANCE AUTHORITY

37. UNIVERSITY OF KENTUCKY

38. UNIVERSITY OF LOUISVILLE

39. EASTERN KENTUCKY UNIVERSITY

40. WESTERN KENTUCKY UNIVERSITY

41. MOREHEAD STATE UNIVERSITY

42. MURRAY STATE UNIVERSITY

		1980-81	1981-82
p.	Board of Optometric Examiners	$ 32,000	$ 32,000
q.	Board of Pharmacy	$182,100	$198,400
r.	Board of Physical Therapy	$ 25,000	$ 28,500
s.	Board of Podiatry	$ 2,600	$ 2,600
t.	Board of Proprietary Education	$ 23,400	$ 23,400
u.	Board of Psychology	$ 27,100	$ 29,200
v.	Real Estate Commission		
	1. Examination and Licensing	$407,300	$405,000
	2. Real Estate Education Research and Recovery	$549,000	$640,500
w.	Board of Social Workers	$ 42,100	$ 42,100
x.	Board of Speech Pathologists and Audiologists	$ 13,100	$ 12,200
y.	Board of Veterinary Examiners	$ 23,300	$ 24,500
z.	Board of Watchmaking	$ 10,400	$ 10,400

8. DEPARTMENT OF PERSONNEL

9. DEPARTMENT OF REVENUE

10. COUNTY FEES

County Fees for the following counties: Jefferson, Kenton, Fayette, Campbell, and Daviess are for paying the various officials of each county enumerated, seventy-five percent (75 percent) of the fees provided by law to be paid, by the State, to these officials when their claims for fees have been presented to the Department of Finance in the form and manner prescribed by law and approved by the Secretary of the Department of Finance, and to pay the Fiscal Court of each of said counties twenty-five percent (25 percent) of said fees as required by KRS 64.350.

11. MILITARY AFFAIRS

12. KENTUCKY HORSE COUNCIL

13. BOARD OF ELECTIONS

14. HUMAN RIGHTS COMMISSION

B. DEVELOPMENT

15. OFFICE OF THE SECRETARY

16. DEPARTMENT OF PARKS

1980-81	$ 22,621,400
1981-82	$ 24,491,900

17. DEPARTMENT OF AGRICULTURE

1980-81	$ 2,850,100
1981-82	$ 2,859,700

18. DEPARTMENT OF FISH AND WILDLIFE

1981-82	$ 12,311,800
1981-82	$ 13,118,500

19. DEPARTMENT OF COMMERCE

1980-81	$ 315,700
1981-82	$ 190,000

20. DEPARTMENT FOR LOCAL GOVERNMENT

c. Bureau for Surface Mining Reclamation and Enforcement

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49. KENTUCKY NATURE PRESERVES COMMISSION

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50. ENVIRONMENTAL QUALITY COMMISSION

H. PUBLIC PROTECTION AND REGULATION

51. OFFICE OF THE SECRETARY

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52. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1980-81 .... $ 3,000
1981-82 .... $ 3,000

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53. BOARD OF TAX APPEALS

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54. DEPARTMENT OF INSURANCE

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55. DEPARTMENT OF LABOR

a. Occupational Safety and Health
1980-81 .... $ 3,885,000
1981-82 .... $ 4,118,000
b. Special Fund
c. Employment Standards
d. Maintenance Fund
1980-81 .... $ 7,336,700
1981-82 .... $ 7,718,000

For the general operations of the Workmen's Compensation Board, administrative services provided to the Board through the General Administration and Support program, the state share of costs associated with the Occupational Safety and Health program, and for the operations of the Uninsured Employer's Fund.

e. General Administration and Support
1981-82 .... $ 2,097,900
1981-82 .... $ 2,182,100

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56. DEPARTMENT OF MINES AND MINERALS

1980-81 .... $ 1,909,600
1981-82 .... $ 1,191,700

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57. KENTUCKY QUARTER HORSE AND APPALOOSA COMMISSION

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58. KENTUCKY STATE RACING COMMISSION

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59. KENTUCKY HARNESS RACING COMMISSION

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60. ENERGY AND UTILITY REGULATORY COMMISSION

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61. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

Included in agency receipts are receipts and expenditures in regard to the Elevator Inspection program.

I. TRANSPORTATION

62. DEPARTMENT OF TRANSPORTATION

a. Air Transportation
1980-81 .... $ 4,858,400
1981-82 .... $ 7,771,800
b. Water Transportation
c. Rail Transportation

d. Public Transportation	
1980-81	$ 12,571,300
1981-82	$ 12,458,800
e. General Administration	
1980-81	$ 2,704,800
1981-82	$ 2,425,800
f. Highways	
1) Bureau of Highways	
2) Bureau of Vehicle Regulation	
1980-81	$ 1,145,000
1981-82	$ 1,245,000

J. ENERGY

63. DEPARTMENT OF ENERGY	
1980-81	$ 2,815,700
1981-82	$ 2,735,500

PART III
TRANSPORTATION FUND

Monies in the Transportation Fund are appropriated for use by the Department of Transportation in its activities, functions, and duties performed by it as prescribed by law. The Transportation Fund shall consist of all the state revenues realized from fees, taxes, and license fees levied for state road purposes authorized by law, and any additional or other revenues, grants, or funds, including any amount which may be received from Federal aid, bond funds, General Funds appropriated, or any other sources pursuant to the provisions of KRS 177.030, made available for the construction or reconstruction of public roads or for any other of the activities administered by the Department of Transportation. Such receipts and revenues, and unappropriated surplus, together with any balance as of June 30, 1980, shall constitute the Transportation Fund for the fiscal years 1980-81 and 1981-82 respectively. An annual budget for each fiscal year shall be submitted by the Department of Transportation to the Department of Finance for approval by June 1, 1980, for fiscal year 1980-81 and by June 1, 1981, for fiscal year 1981-82. The budget shall be based upon the most current State Road Fund estimates and Surplus, estimates of contractual and noncontractual Federal aid, General Fund appropriated, and funds and fees from any other source.

There is hereby authorized in the Transportation Fund a bond fund authorization of up to $150,000,000 in fiscal year 1980-81 and $150,000,000 in fiscal year 1981-82 for the constructing and rehabilitating of roads, along with the related costs, in the Kentucky primary road system. The related debt service payments or lease payments to the Kentucky Turnpike Authority, as appropriate, may be expended from funds appropriated to the Transportation Fund.

In the event the State Road Fund estimates are revised during the biennium the Department of Transportation shall submit its annual budget based upon the new estimates. These estimates are to be certified by the Commissioner of Revenue to the Secretary of the Department of Finance and upon the approval of the Governor the Secretary of the Department of Finance shall make the appropriate increases or decreases to the Department of Transportation's annual budget. If the State Road Fund estimates are increased or decreased during a fiscal year the Department of Transportation shall request from the Department of Finance with approval of the Governor authority to increase or decrease its annual budget in accordance with Part V, General Provisions, Section 8 of this Act. The following monies are appropriated from the State Road Fund.

A. TRANSPORTATION

1. DEPARTMENT OF TRANSPORTATION	
a. General Administration	
1980-81	$ 36,696,600
1981-82	$ 38,977,200
b. Highways	

1) Bureau of Highways

1980-81	$416,517,800
1981-82	$465,334,400

a) Rural Highways

i. County Road Aid. For construction, reconstruction, improvement, and maintenance of county roads and bridges the designated portion of all revenue received pursuant to KRS 138.220 and 138.565 shall be expended in accordance with KRS 177.320(2). These funds shall be distributed in accordance with the formula prescribed by the provisions of KRS 177.360.

ii. Rural Secondary Roads. For construction, reconstruction, and maintenance of rural and secondary roads, the designated portion of all revenue received pursuant to the provisions of KRS 138.220 and 138.565, shall be expended in accordance with KRS 177.320. These funds shall be distributed in accordance with the formula prescribed by the provisions of KRS 177.360. In addition, pursuant to the duties and responsibilities of county judges/executives associated with the administration of the local county road program, beginning January 1, 1978, the expense allowance for each county judge/executive shall be paid from the Transportation Fund. These expenses shall be paid from those appropriated funds for the rural secondary road revenue sharing program as provided in KRS 177.360 and KRS 67.

b) Municipal Aid. For the construction, reconstruction, and maintenance of urban roads, streets, and bridges, the designated amounts received pursuant to the provisions of KRS 138.220 and 138.565, shall be expended and distributed in accordance with KRS 177.365 through 177.368.

2) Bureau of Vehicle Regulation (Except Division of Water Enforcement)

1980-81	$ 3,739,000
1981-82	$ 3,786,400

Total - Highways

1980-81	$420,256,800
1981-82	$469,120,800

TOTAL - DEPARTMENT OF TRANSPORTATION

1980-81	$456,953,400
1981-82	$508,098,000

PART IV
CAPITAL CONSTRUCTION FUND

Monies in the Capital Construction fund are appropriated for the following capital projects.

	1980-81	1981-82
A. GENERAL GOVERNMENT		
1. Capital Plaza		
a. Repair and Renovation of Facilities		
2. Military Affairs		
a. Replacement Armory - Williamsburg		
Revenue Sharing		62,400
Federal Funds		759,700
Total		822,100
b. Armory Addition - London		
Revenue Sharing		30,000
Federal Funds		444,700
Total		474,700
c. Armory Addition - Bowling Green		
Revenue Sharing		66,300

	1980-81	1981-82
Federal Funds		480,400
Total		546,700
d. United States Property and Fiscal Office Addition - Frankfort		
Federal Funds		765,000
Agency Receipts		89,000
Total		854,000
e. Organizational Maintenance Shop Addition - London		
Federal Funds	103,100	
Agency Receipts	4,000	
Total	107,100	
f. Organizational Maintenance Shop - Ashland		
Revenue Sharing		59,000
Federal Funds		14,800
Total		73,800
g. Organizational Shop - Owensboro		
Revenue Sharing		38,800
Federal Funds		12,000
Total		50,800
h. Major Maintenance and Repair		
Revenue Sharing	500,000	700,000
Federal Funds	102,000	
Total	602,000	700,000
3. Finance		
a. Capitol Building - Terrace Renovation/ Exterior Cleaning		
Revenue Sharing	500,000	1,500,000
b. Kentucky Emergency Warning System		
Revenue Sharing	1,065,000	236,000
c. Central Control System Expansion		
Revenue Sharing	538,600	500,000
d. Storage Facility - Physical Plant		
Revenue Sharing	68,000	
e. Governor's Mansion - Mechanical, Electrical and Interior Renovation		
Revenue Sharing	1,750,000	
f. Emergency Repair, Maintenance, and Replacement Fund		
Investment Income	500,000	5,000,000
g. Capital Construction and Equipment Purchase Contingency Fund		
Investment Income	5,000,000	5,000,000
h. 504 Handicapped Projects		
Revenue Sharing	5,000,000	5,000,000
i. Word Processing Information System		
Revenue Sharing	55,000	20,000
j. Electronic Pre-Sort Mail Processing Equipment		
Revenue Sharing	212,000	
k. Jet Ranger Helicopter - 2,400 Hour Inspection		
Revenue Sharing	51,000	
l. Jet Ranger Helicopter - Replace Engine		

		1980-81	1981-82
	Revenue Sharing	35,000	
m.	Navajo - Replace Engines		
	Revenue Sharing	70,000	
n.	Bell Long Ranger Helicopter		
	Revenue Sharing	500,000	
o.	Aircraft - Purchasing and Leasing		
	Revenue Sharing	750,000	
	Agency Fund	200,000	200,000
	Total	950,000	200,000
p.	Kentucky Center for the Arts		
	Bond Fund	1,500,000	
	Local Fund	11,500,000	
	Total	13,000,000	
B.	DEVELOPMENT		
1.	Secretary of the Development Cabinet		
a.	Economic Development Projects		
	Bond Fund	50,000,000	50,000,000
2.	Department of Commerce		
a.	Riverport Development Authorities		
	Revenue Sharing	500,000	7,000,000
	Investment Income	4,500,000	
	Total	5,000,000	7,000,000
3.	Department of Parks		
a.	Mechanical and Structural Upgrades, Water Districts and Sewage Improvements		
	Revenue Sharing	1,075,000	1,250,000
	Agency Fund	175,000	
	Total	1,250,000	1,250,000
b.	Small Construction Projects		
	Revenue Sharing	500,000	500,000
c.	Roadway and Parking Improvements		
	Revenue Sharing	500,000	500,000
d.	Fuel Conservation Phase I		
	Revenue Sharing	100,000	400,000
4.	Kentucky Horse Park		
a.	Special Events Facility		
	Bond Fund	765,000	
5.	Kentucky State Fair Board		
a.	Recreational Vehicle Park		
	Bond Fund	1,665,000	
b.	Ring Road and Additional Parking		
	Bond Fund	2,125,000	
c.	Electric Power Improvements and Lighting Upgrades		
	Bond Fund	1,275,000	
d.	Carnival Midway Site		
e.	Relocation of Horse Barns		
	Bond Fund	1,925,000	
f.	Fairgrounds Stadium Press Box		
	Bond Fund	425,000	
g.	Maintenance and Service Workhouse		
	Bond Fund	1,700,000	
h.	Hofgesang Property		
	Bond Fund	2,000,000	
i.	Parking Structure II		

		1980-81	1981-82
	Bond Fund	3,248,200	
j.	Galleria		
	Bond Fund	8,000,000	
k.	Major Maintenance and Repair		
	Agency Fund	500,000	500,000
l.	Replace Doors and Frames - Coliseum, East and West Wings, and Pavilion		
	Agency Fund	250,000	
m.	60' Boom Truck		
	Agency Fund	75,000	
n.	Renovation of Coliseum Restrooms		
	Agency Fund	240,000	
o.	Replacement of Landscaping		
	Agency Fund	50,000	
p.	General Repairs to Stadium		
	Agency Fund	275,000	
q.	Painting Underside of Stadium Roof		
	Agency Fund	50,000	
r.	Renovation of Stadium Restrooms		
	Agency Fund	220,000	
s.	Roof Replacement - Stadium Lobby		
	Agency Fund	300,000	
t.	Replace Coliseum Boilers and Tie in to Central Computer Controls		
	Agency Fund	800,000	
u.	Development of Office Space - 2nd Level of Coliseum		
	Agency Fund	200,000	
v.	HVAC Piping and Insulation Replacement		
	Agency Fund	425,000	
w.	Front End Loader		
	Agency Fund	65,000	
x.	Light Fixture Replacement - Coliseum, East and West Wings, and Pavilion		
	Agency Fund	452,500	
y.	Replace Doors and Frames in Stadium		
	Agency Fund	45,000	
C.	ENERGY		
1.	Administration and Support		
a.	Administration Building Porch Restoration		
	Revenue Sharing	35,000	
b.	Lease-Hold Improvements		
	Revenue Sharing	250,000	
D.	EDUCATION AND THE ARTS		
1.	Kentucky School Building Authority		
a.	Bowling Green State Vocational - Technical School		
b.	Cumberland Valley Health Occupations Center		
c.	Northern Kentucky Health Occupations Center		

	1980-81	1981-82
d. Glasgow Health Occupations Center		
e. Madisonville Dormitory, SVTS		
f. Mayo (Paintsville) Dormitory, SVTS		
g. Somerset SVTS Diesel Mechanics Facility		
h. Regional 1 Dormitory, Western Kentucky SVTS		
2. School for the Deaf		
a. Upper School Dorm - Phase B.		
Revenue Sharing	2,250,000	
b. Thomas P.E. Building - Roof and Floor Repair		
Revenue Sharing	65,000	
3. School for the Blind		
a. New Dormitory - Cost Overrun		
Revenue Sharing	240,000	
b. Addition to Classroom Building		
Revenue Sharing	315,500	2,317,000
4. Department of Library and Archives		
a. Department of Library and Archives Building		
Bond Fund	2,500,000	
b. Central Utility Plant/ Electric Service/ Sewer Service		
Bond Fund	7,150,000	
E. HIGHER EDUCATION		
1. Council on Higher Education		
a. Sports Arenas		
Revenue Sharing		500,000
2. University of Kentucky		
a. Primary Care Center		
b. Patient Parking Structure		
c. Pharmacy Building		
Bond Fund		8,230,000
d. Southeast Community College Technical Building/ Learning Resources Center		
Bond Fund		2,100,000
e. Development Building		
Agency Fund	350,000	
f. Poultry Facility		
Agency Fund	856,300	
g. Animal Care Facility Renovation		
Agency Fund	250,000	
h. Medical and Dental Science Wings Renovation, Medical Center		
Agency Fund	250,000	
i. Medical Offices and Lab Spaces Renovation, Phase I		
Agency Fund	272,000	
j. Medical Offices and Lab Spaces Renovation, Phase II		
Agency Fund		335,000
k. Enclosure of Annex II, Medical Center		
Agency Fund	843,000	
l. Hospital Elevator Upgrade		

		1980-81	1981-82
	Agency Fund	453,000	
m.	Hospital Interior Maintenance, Phase I		
	Agency Fund	300,000	
n.	Interior Maintenance - Medical and Dental Offices - Phase II		
	Agency Fund		250,000
o.	University Hospital - North Wing Ground Floor Renovation		
	Agency Fund	200,000	
p.	University Hospital House Staff Quarters		
	Agency Fund		620,000
q.	University Hospital Plan		
	Agency Fund		500,000
r.	McVey Hall Renovation		
	Agency Fund		1,600,000
s.	Student Center Expansion		
	Bond Fund	4,080,000	
t.	Miscellaneous Projects		
	Agency Fund	3,200,000	3,200,000
u.	Computerized Axial Tomography Scanner		
	Agency Fund	1,100,000	
v.	Clinical Lab Computer		
	Agency Fund		600,000
w.	Diagnostic Radiology Computer		
	Agency Fund		100,000
x.	Instructional Computer		
	Agency Fund	600,000	
y.	Liquid Scintillation Counter		
	Agency Fund	65,000	
z.	Mass Spectrometer - Gas Chromatograph		
	Agency Fund		200,000
aa.	Mass Spectrometer		
	Agency Fund	374,000	
bb.	Superconducting Magnetic Resonance Spectrometer		
	Agency Fund		320,000
cc.	Diesel Dump Truck		
	Agency Fund	63,000	
dd.	Garbage Truck		
	Agency Fund	90,000	
3.	University of Louisville		
a.	Social Science - Education		
b.	Science - Chemistry Building		
c.	Teaching Hospital		
d.	Teaching Hospital Group II Medical Equipment		
i.	Whole Body Nuclear Scanner		
ii.	B-Mode Gray Scale Real-Time Ultrasound Unit		
iii.	Portable Gamma Camera		
iv.	Computer for Nuclear Scanner		
v.	Radiographic System for Special O.R.		
vi.	Portable Fluoroscopic Units		

		1980-81	1981-82
vii.	Cystoscopic Unit with Fluoroscopic Capabilities		
viii.	Automicrobic System		
ix.	Head Radiographic Unit		
x.	Radiographic/ fluoroscopic System		
xi.	Radiographic System		
xii.	Remote Radiographic and Fluoroscopic System		
xiii.	Routine Radiographic System with Temographic Capabilities		
xiv.	Office Equipment Under $50,000 per Item		
e.	Belknap Theater Relocation		
f.	Law School Expansion		
g.	Reynolds Building Renovation		
	Agency Fund	790,900	
h.	Schneider Library Renovation		
	Agency Fund	50,000	300,000
i.	Miscellaneous Projects		
	Agency Fund	1,080,600	268,400
j.	Date Entry System		
	Agency Fund	120,000	
k.	Database Management System		
	Agency Fund	100,000	
l.	Disk and Tape Drives Added to DEC 10-90		
	Agency Fund	93,000	
m.	Memory and A-Sychronous Communication Line to DEC 10-90		
	Agency Fund	111,000	
n.	Additional Equipment for IBM 370/148		
	Agency Fund		200,280
o.	Graphics Printing Equipment		
	Agency Fund	100,000	100,000
p.	Phototypesetting Equipment		
	Agency Fund	150,000	65,000
q.	High Volume Copying Equipment		
	Agency Fund		81,000
r.	Binding Equipment		
	Agency Fund	126,000	
s.	Word Processing Equipment		
	Agency Fund	300,000	
t.	Automated Circulation System		
	Agency Fund		201,000
u.	Fourier Transform Infrared Spectrophotometer		
	Agency Fund	110,000	
v.	Amino Acids Analyzer		
	Agency Fund		65,000
w.	Minicomputer - PDP II		
	Agency Fund	75,000	
x.	GC-Mass Spectrometer		
	Agency Fund	130,000	
y.	Electron Microscopic and Microprobe Analysis		
	Agency Fund	253,000	
z.	Liquid Scintillation and Gamma Counters		

	1980-81	1981-82
Agency Fund	55,000	
aa. GC-Mass Spectrometer		
Agency Fund		130,000
bb. Preparative and Analytical Ultracentrifuges		
Agency Fund	72,000	
cc. Liquid Scintillation and Gamma Counters		
Agency Fund		55,000
dd. Gamma Irradiator		
Agency Fund		64,000
ee. Preparative and Analytical Ultracentrifuge		
Agency Fund		72,000
ff. GC-Mass Spectrometer		
Agency Fund	130,000	
gg. Scanning Electron Microscope and Microprobe		
Agency Fund		253,000
hh. Special Animal Cage Cleaning Equipment		
Agency Fund	100,000	
4. Eastern Kentucky University		
a. Administrative Computer		
Agency Fund	1,200,000	
b. Academic Computer		
Agency Fund	250,000	
c. Sullivan Hall Renovation		
Agency Fund	150,000	850,000
d. University Building Renovation		
Agency Fund	200,000	1,103,000
e. Miscellaneous Projects		
Agency Fund	400,000	425,000
5. Western Kentucky University		
a. North Wing Thompson Science Complex Renovation		
Agency Fund	450,000	
b. Improvements to Grise Hall		
Agency Fund	400,000	
c. Downing University Center Roof Replacement		
Agency Fund	495,000	
d. Cherry Hall Roof Replacement		
Agency Fund	250,000	
e. Miscellaneous Projects		
Agency Fund	300,000	300,000
f. Instructional Computer		
Agency Fund	80,000	80,000
g. Administrative Computer		
Agency Fund	120,000	120,000
6. Murray State University		
a. University Center Equipment		
Revenue Sharing	300,000	
b. Wrather Hall Renovation		
Revenue Sharing	67,000	
c. Veterinary Diagnostic and Research Center		
Revenue Sharing	951,000	
d. Student Recreational Facility		
Agency Fund	390,000	

	1980-81	1981-82
e. University Farm Greenhouse		
Agency Fund		343,000
f. Residence Hall Convecting and Chiller Systems		
Agency Fund	320,000	
g. Environmental Controls in Woods Hall		
Agency Fund	300,000	
h. Elevator Replacement House and Dining Systems		
Agency Fund	200,000	
i. Miscellaneous Projects		
Agency Fund	1,000,000	1,000,000
j. Instructional, Administrative, and Research Computer		
Agency Fund	250,000	
7. Morehead State University		
a. Academic Athletic Center Equipment		
Revenue Sharing	148,000	
b. Mays Hall Renovation		
Agency Fund	250,000	
c. Thompson Hall Renovation		
Agency Fund		250,000
d. Field Hall Renovation		
Agency Fund	250,000	
e. Miscellaneous Projects		
Agency Fund	453,000	155,000
f. Educational Research Computer System		
Agency Fund	390,000	
g. Type Setting System		
Agency Fund		115,000
8. Northern Kentucky University		
a. Power Plant Development		
b. Health and Physical Education Center		
c. Completion of the Science Center		
d. Nunn Hall Renovation		
e. Maintenance and Operation Storage Building		
f. Student Housing		
Federal Fund	4,438,000	
g. Communications Center Renovation		
Agency Fund	100,000	197,000
h. Miscellaneous Projects		
Agency Fund	261,000	261,000
9. Kentucky State University		
a. Atwood Hall Renovation		
b. Hunter Hall Renovation		
Revenue Sharing	200,000	846,000
c. Underwood Cafeteria Renovation		
Revenue Sharing	1,074,700	
d. Miscellaneous Projects		
Agency Fund	378,000	427,400
e. Bus Purchase		
Agency Fund	110,000	
F. HUMAN RESOURCES		
1. Bureau for Health Services		

	1980-81	1981-82
a. Hazelwood Hospital Ceilings Replacement		
Revenue Sharing	814,000	
b. Eastern State Hospital Wendell Building -		
Revenue Sharing	1,649,000	
Buildings #56, 57, 58		
Revenue Sharing	5,491,000	
Total	7,140,000	
c. Central State Hospital Lyons and Shelby Bldgs.		
Revenue Sharing	2,337,000	
d. Oakwood Hospital Roof Replacement		
Revenue Sharing	1,400,000	
e. Local Health Department Improvements		
Revenue Sharing	1,000,000	1,000,000
f. Western State Hospital Plumbing Renovation		
Revenue Sharing	691,000	
g. Outwood State Hospital New Facility		
Bond Fund	2,500,000	
h. Central State Hospital ICF/MR Facility		
i. Miscellaneous Projects		
Revenue Sharing		300,000
2. Executive Policy Support		
a. Ashland Youth Development Center (Ashland Office Bldg.)		
Revenue Sharing	100,000	
b. Miscellaneous Projects		
Revenue Sharing	590,500	
c. Harlan State Office Building		
Revenue Sharing		2,400,000
d. Morehead State Office Building		
Revenue Sharing		1,100,000
e. Pikeville State Office Building		
Revenue Sharing		886,000
f. Danville State Office Building		
Revenue Sharing		614,000
3. Bureau for Social Services		
a. Northern Kentucky Treatment Center		
Revenue Sharing	102,500	
b. Miscellaneous Projects		
Revenue Sharing	897,500	200,000
G. JUSTICE		
1. Bureau of Corrections		
a. Luckett Correctional Institution		
Investment Income	2,815,900	
b. Luckett Correctional Institution		
Investment Income	1,568,000	
c. Kentucky State Penitentiary Housing Unit		
Investment Income	641,000	1,050,000
Revenue Sharing		3,950,000
Total	641,000	5,000,000
d. New 500-Man Institution		

	1980-81	1981-82
Bond Fund	25,000,000	
e. Kentucky State Reformatory Renovate Two Dorms		
Investment Income	518,400	
Revenue Sharing		518,400
Total	518,400	518,400
f. Kentucky State Penitentiary Sewage Treatment		
Investment Income	200,000	
g. Kentucky State Penitentiary Locking System		
Investment Income	506,700	
Revenue Sharing	243,300	
Total	750,000	
h. Kentucky State Penitentiary Cellhouse Renovation		
Revenue Sharing		1,200,000
i. Kentucky State Reformatory Electrical System		
Revenue Sharing	812,000	
j. Kentucky State Penitentiary Electrical Distribution System		
Revenue Sharing		1,077,600
k. Kentucky State Penitentiary Steam Loop		
Revenue Sharing	300,000	
l. Kentucky State Reformatory Visiting Building		
Revenue Sharing		267,300
m. Kentucky State Penitentiary Electric Boiler Repair		
Revenue Sharing	250,000	
n. Kentucky State Penitentiary Receiving Warehouse		
Revenue Sharing		500,000
o. Miscellaneous Projects		
Revenue Sharing	357,200	
H. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION		
1. Department for Natural Resources and Environmental Protection		
a. Repair of State-Owned Dams		
Revenue Sharing	1,000,000	1,000,000
b. Community Flood Damage Abatement		
Revenue Sharing	1,000,000	2,000,000
I. PUBLIC PROTECTION AND REGULATION		
1. Energy and Utility Regulatory Commissions		
a. Meter Standards Laboratory Exterior Brick Repair		
Revenue Sharing	60,000	
b. Computer Controlled Watthour Meter Comparator Catalog 1500		
Revenue Sharing	59,400	
3. Department of Insurance		
a. Fire and Tornado Fund Fire and Life Safety Improvement Projects		
Agency Fund	1,200,000	1,300,000

Those projects listed by title in this Act but for which no funds are shown are previously authorized projects for which there is sufficient funding available for completion in the absence of any additional funding in the 1980-82 biennium. Those projects set forth under the sub-heading "higher education" are subject to the action and approval of the Council on Higher Education and subject to the approval of the Department of Finance. Any funds remaining in projects no longer authorized on July 1, 1980, under the provisions of KRS 45.750 through 45.990 shall lapse to the Emergency Repair, Maintenance, and Replacement Fund to be expended in accordance with the provisions of KRS 45.780. Notwithstanding the provisions of KRS 45.770, the Capital Construction and Equipment Purchase Contingency Fund may be used to advance funds to projects authorized to be financed by bonds and may be used to finance feasibility studies for projects which may be contemplated for future funding.

Included in the above appropriation is a $50,000,000 Economic Development bond authorization for each fiscal year. This funding is recommended for projects that are associated with economic development and will be identified during the 1980-82 biennium by the Secretary of the Development Cabinet. Examples of projects that may be included are riverports, parks, economic development, energy development and tourism. No bonds may be issued for these projects in the absence of prior consultation with the Capital Construction and Equipment Purchase Oversight Committee.

Inasmuch as the identification of specific projects in a variety of areas of the State Government cannot be ascertained with absolute certainty at this time, it is the purpose and intent of the General Assembly, the provisions of KRS 45.750 through 45.990 notwithstanding, to appropriate amounts for specific purposes to projects which are not individually identified herein in the following areas: Community Flood Damage Abatement, Local Health Construction, Riverport Development, Repair of State-Owned Dams, School Building Authority, Economic Development Projects, Coal Severance Economic Aid Fund and Area Development Fund.

All monies transferred to the Department of Finance for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Department of Finance for capital construction.

If at end of any fiscal year the monies and securities to the credit of the State Fire and Tornado Insurance Fund exceed $2,000,000 and if conditions with respect to life and fire safety in state properties are such as not to require the expenditure of all excess funds for improvements to said conditions, then the Secretary of the Department of Finance, with the concurrence of the Commissioner of Insurance, shall transfer up to $1,200,000 in fiscal year 1980-81 and $1,300,000 in fiscal year 1981-82 of the amount of such excess not so required and may authorize its transfer to the Capital Construction Fund, for expenditure in accordance with the provisions of Chapter 56 of the Kentucky Revised Statutes.

General Revenue Sharing funds are appropriated in accordance with the provisions of the Federal State and Local Fiscal Assistance Act of 1972 and extension thereof. In the event these monies, or any portion thereof, are not made available to the Commonwealth, the Secretary of the Department of Finance may take appropriate action as required by Part V, General Provisions, Section 8 of this Act. In addition, in the event that General Revenue Sharing funds may not become available, the Secretary of the Department of Finance is also empowered to substitute other sources of funding, except General Fund monies, as may be available in order to finance capital construction projects as specified herein not to exceed the individual project recommended appropriation amount. Prior to substituting funding for a project identified herein to be funded with General Revenue Sharing funds that may not have become available, the Department of Finance shall present to the Capital Construction and Equipment Oversight Committee, for its review, the specification of the new source of funding and its amount.

In the event a state-level commission to review local government finances is a requirement for continued state participation in the General Revenue Sharing program, the Secretary of the Department of Finance is hereby authorized to allocate up to $500,000 from the Commonwealth's revenue sharing entitlement for expenditure by this commission in fulfilling its required duties as may be specified under federal law.

PART V
GENERAL PROVISIONS

1. Nothing in this Act shall be construed to repeal any appropriation made hereinbefore or hereinafter for the fiscal year ending June 30, 1980 and nothing in this Act is to be construed as amending or altering the provisions of Chapters 42 and 45 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Department of Finance. All questions that arise in interpreting any appropriation in this Act as to the purpose or manner for which such appropriation may be expended shall be decided by the Secretary of the Department of Finance in accordance with the detailed estimates embodied in the Executive Budget 1980-82 and supporting work papers, as considered by the 1980 Regular Session and the decision of the Secretary of the Department of Finance shall be final and conclusive.

2. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provision thereof shall be held invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. The Secretary of the Department of Finance is authorized to establish a system or formula or a combination of both for pro-rating the administrative costs of the Department of Personnel, Department of Finance, Treasury, and Law relative to the administration of programs in which there is joint participation by the State and Federal Governments for the purpose of receiving the maximum amount of participation permitted under the appropriate Federal laws and regulations governing such programs.

4. All continuing appropriations in existence at the time this Act takes effect are discontinued and repealed by this Act, notwithstanding any provisions of the Kentucky Revised Statutes to the contrary, except as provided by Chapters 12, 42, 56, 152, 177 and 341 of the Kentucky Revised Statutes. All laws and portions of laws in conflict with any of the provisions of this Section, to the extent of such conflict, are hereby repealed.

5. No state agency, cabinet, department, office or program shall incur any obligation against the General Fund appropriations contained herein unless such obligation may be reasonably determined to have been contemplated in the Governor's budget proposal and is supported by appropriate work papers and other records pertaining thereto.

6. Any General Fund appropriation made herein in anticipation of a lack, loss or reduction of Federal grants shall lapse to the General Fund to the extent such Federal funds otherwise become available.

7. In the event that Federal monies become available to the Commonwealth under Title IV of Public Law 95-87, it is the intent of the General Assembly that these monies be appropriated to the Department of Finance to be used for nonrecurring projects in accordance with the intent of the Federal law.

8. Whereas, inasmuch as the finances of the Commonwealth cannot be ascertained with absolute certainty at this time, and since the actual needs of each officer, cabinet, department, board, commission, institution, agency or other activity or subdivision of state government can only be anticipated and not finally determined by the General Assembly, and since the total amount of revenue accruing to the General Fund and to the Transportation Fund and accruing from various fees or from Federal funds from which appropriations are made can only be anticipated as being produced through existing laws and those that may hereafter be enacted, and recognizing the complex nature of the economy, it is the purpose and intention of this Act that the expenditures for each fiscal year shall not exceed the total financial resources accruing to any Fund, as defined in KRS Chapter 45, for the same fiscal year. As the conditions cannot be fully determined until after the adjournment of the 1980 General Assembly, and as the needs of each officer, cabinet, department, board, agency, commission, institution, subdivision or activity of state government, together with the total financial resources accruing to the General Fund and the Transportation Fund cannot be fully determined at this time, it is the intention and purpose of this General Assembly that the Secretary of the Department of Finance, with the advice of the Commissioner of the Department of Revenue, upon approval of the Governor of the Commonwealth, is authorized, empowered and directed to ascertain and determine the needs of each officer, cabinet, department, board, commission, institution, subdivision, agency or other activity of state government and to ascertain the total financial resources anticipated to be accrued to the General Fund and the Transportation Fund of the Commonwealth, and upon the ascertainment and determination of said facts, he, the Secretary of the Department of Finance, in the manner set forth as provided by general law, is authorized, empowered, and directed by the General Assembly to prevent an overdraft or deficit in any fiscal year for which appropriations are herein made, by equitably reducing, according to needs, without discrimination, the appropriations herein made from the General Fund and Transportation Fund to each officer, cabinet, department, board, commission, institution, subdivision, agency or other activity in state government, provided, however, that the power invested shall not permit any reduction of the appropriations of any officer, cabinet, department, board, commission, institution, subdivision, agency or other activity of state government that will actually impair the necessary constitutional functions of such agency or activity, the operations and functions of which are determined to be necessary constitutional functions of state government.

9. In the event that actual General Fund receipts exceed $1,830,000,000 in fiscal year 1979-80 or $2,035,000,000 in fiscal year 1980-81, the excess up to a maximum of $25,000,000 each fiscal year is hereby appropriated to the Department of Finance to be held as a reserve for emergencies, for state legislation mandating programs for which there is no appropriation, for increased funding mandated by the Federal government, including the Federal Courts, for feasibility studies related to projects being considered for inclusion in the 1982-84 biennial budget, and for any other expenditure deemed by the Governor to be necessary in carrying out his constitutional and statutory duties. Of the $25,000,000 identified herein, up to a maximum of $3,000,000 each fiscal year is hereby appropriated to the Kentucky School Building Authority for debt service payments. No funds may be expended under this section in the absence of prior consultation with the Interim Joint Committee on Appropriations and Revenue. No funds may be expended under this section if such expenditure would result in an estimated General Fund surplus at the end of each fiscal year of less than one percent of the Department of Revenue's official General Fund revenue estimate for that fiscal year.

HB 968, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 143A IS HEREBY ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

(1) "Department" means the department of revenue.

(2) "Natural resource" means all forms of minerals including but not limited to rock, stone, limestone, shale, gravel, sand, clay, fluorspar, zinc, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state. For purposes of this chapter, "natural resource" does not include coal and oil which are taxed under KRS 143.020 and 137.120.

(3) "Severing" or "severed" means the physical removal, withdrawal or extraction of the natural resource from the earth or waters of this state by any means, and shall include the preparation by the taxpayer of the natural resource for transporting to a customer or for use by the taxpayer.

(4) "Taxpayer" means and includes any individual, partnership, joint venture, association, corporation, receiver, trustee, guardian, executor, administrator, fiduciary, or representative of any kind engaged in the business of severing natural resources in this state for sale or use. In instances where contracts, either oral or written, are entered into whereby persons, organizations or businesses are engaged in the business of severing a natural resource but do not obtain title to or do not have an economic interest therein, the party who owns the natural resource or has an economic interest is the taxpayer.

(5) "Gross value" means the amount received or receivable by the taxpayer from the sale of the natural resource severed, or, if the natural resource is not sold, "gross value" means the fair market value for a similar grade and quality of that natural resource when used by the taxpayer. Charges for transporting the natural resource to the taxpayer's customers, whether or not by common carrier, are not to be included in "gross value". In a transaction involving related parties, "gross value" shall not be less than the fair market value for that type of natural resource of similar grade and quality. In no instance shall "gross value" be reduced by any taxes, including the tax levied in Section 2 of this Act, royalties, sales commissions or any other expense.

(6) "Related parties" means two (2) or more persons, organizations or businesses owned or controlled directly or indirectly by the same interests.

(7) "Economic interest" for the purpose of this chapter is synonymous with the economic interest ownership required by internal revenue code, section 611 in effect on December 31, 1977, entitling the taxpayer to a depletion deduction for income tax purposes with the exception that a party who only receives an arm's length royalty shall not be considered as having an economic interest.

(8) "Charges for transporting" or "transportation expense" shall mean:

(a) The amount paid by a taxpayer to a third party for transporting to a customer natural resources taxed in Section 2 of this Act;

(b) The cost incurred by a taxpayer using his own facilities in transporting to a customer natural resources taxed under Section 2 of this Act;

(c) In no case shall transportation expenses include the cost of acquisition, improvements, or maintenance of real property or the cost of loading or unloading facilities.

SECTION 2. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) For the privilege of severing natural resources in this state, a tax is hereby levied at the rate of seven and one-half percent (7 ½%) on natural gas and five percent (5%) on all other natural resources, such rates to apply to the gross value of the natural resources severed.

(2) The tax shall apply to all taxpayers severing natural resources in this state, and shall be in addition to all other taxes imposed by law.

SECTION 3. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

The taxes imposed in Section 2 of this Act do not apply to limestone when sold or used by the taxpayer for agricultural purposes so as to qualify for exemption from sales and use taxes as provided in KRS 139.480.

SECTION 4. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

The department of revenue shall administer the provisions of this Act and shall have all the powers, rights, duties and authority with respect to rules and regulations, collection, refunding and administration of the taxes levied by Section 2 of this Act conferred generally on it by the Kentucky Revised Statutes, including Chapters 131, 134 and 135 of such statutes.

SECTION 5. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) Every taxpayer as defined in Section 1 (4) of this Act shall, before July 1, 1980, or before engaging in the severing of a natural resource subjected to tax under Section 2 of this Act, obtain a certificate of registration by filing with the department an application in such form and containing such information as the department may prescribe. Every application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application.

(2) Whenever any taxpayer fails to comply with any provisions of Sections 1 through 15 of this Act or any rule or regulation of the department relating thereto, the department may suspend or revoke the certificate of registration held by such taxpayer.

(3) The Commonwealth may bring an action for a restraining order or a temporary or permanent injunction to restrain or enjoin operation of a taxpayer's business being operated without a certificate of registration. Such action may be brought in the Franklin circuit court or in the circuit court having jurisdiction of the taxpayer.

SECTION 6. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) Whenever it is deemed necessary to insure compliance with Sections 1 through 15 of this Act, the department may require any taxpayer to post a cash or corporate surety bond.

(2) The amount of the bond shall be fixed by the department but, except as provided in subsection (3) of this section, shall not be greater than three (3) times the average quarterly liability of taxpayers filing returns for quarterly periods, five (5) times the average monthly liability of taxpayers required to file returns for monthly periods, or two (2) times the average periodic liability of taxpayers permitted or required to file returns for other than monthly or quarterly periods.

(3) Notwithstanding the provisions of subsection (2) of this section, no bond required under this section shall be less than five hundred dollars ($500).

(4) The amount of the bond provided herein may be increased or decreased by the department at any time subject to the limitations herein provided.

(5) The Commonwealth may bring an action for a restraining order or a temporary or permanent injunction to restrain or enjoin the operation of a taxpayer's business until the bond is posted and any delinquent tax, including applicable interest and penalties, has been paid. Such action may be brought in the Franklin circuit court or in the circuit court having jurisdiction of the taxpayer.

SECTION 7. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) On or before the twentieth (20th) day of the month following each calendar month, every taxpayer shall report the gross value of natural resources sold or used during the preceding month and pay the amount of tax due on forms prescribed by the department.

(2) Returns shall be signed by the taxpayer required to file the return or by his duly authorized agent but need not be verified by oath.

(3) Returns required under this section shall contain such information as the department deems necessary for the proper administration of Sections 1 through 15 of this Act.

(4) The taxpayer required to file the return provided under this section shall deliver the return together with a remittance of the amount of the tax due to the department.

(5) For purposes of facilitating the administration, payment, or collection of the taxes levied by Section 2 of this Act, the department may permit or require returns or tax payments for periods other than monthly. When permitted, returns for other than monthly periods shall be filed and paid in such manner as the department may prescribe.

(6) No taxpayer shall change from the reporting system required under this section or permitted in writing by the department, without the written authorization of the department.

(7) A tax return is required for each reporting period even though there may be no tax due.

SECTION 8. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) The department may upon written request received on or prior to the aue date of the return or tax, for good cause satisfactory to the department, extend the time for filing the return or paying the tax for a period not exceeding thirty (30) days.

(2) Any taxpayer to whom an extension is granted and who pays the tax within the period for which the extension is granted shall pay, in addition to the tax, interest at the rate of ten percent (10%) per annum from the date on which the tax would otherwise have been due.

SECTION 9. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer,

the excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (4) of this section and except that in the case of a failure to file a return or of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.

(2) For the purpose of subsections (1) and (4) of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.

(3) When a business is discontinued, a determination may be made at any time thereafter within the periods specified in subsection (1) of this section as to liability arising out of that business, irrespective of whether the determination is issued prior to the due date of the liability as otherwise specified in Section 7 of this Act.

(4) Notwithstanding the four (4) year time limitation of subsection (1) of this section, in the case of a return where the tax computed by the department is greater by twenty-five percent (25%) or more than the amount returned by the taxpayer, the excess shall be assessed by the department within six (6) years from the date the return was filed.

SECTION 10. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

In every case, any tax not paid on or before the due date shall bear interest at the rate of ten percent (10%) per annum from the date due until the date of payment.

SECTION 11. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

In making a determination of tax liability the department may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments.

SECTION 12. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) Every taxpayer liable for the reporting or payment of the taxes levied by Section 2 of this Act shall keep such records, receipts, invoices, and other pertinent papers in such form as the department may require.

(2) Every such taxpayer shall keep such records for not less than four (4) years from the making of such records unless the department in writing sooner authorizes their destruction.

SECTION 13. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) The taxes paid pursuant to the provisions of Sections 1 through 15 of this Act shall be refunded or credited in the manner provided in KRS 134.580, provided that the claim for refund or credit is made by the taxpayer within four (4) years of the due date of the return or the date the taxes were paid, whichever is the later.

(2) A claim for refund or credit shall be made on a form prescribed by the department and shall contain such information as the department may require.

SECTION 14. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) If any taxpayer fails or refuses to file a return or furnish any information requested in writing by the department, the department may make an estimate of the tax liability under Sections 1 through 15 of this Act from any information in its possession, assess the tax at not more than twice the amount estimated to be due and add a penalty of ten percent (10%) of the amount of the tax assessed. This penalty shall be in addition to all other applicable penalties in this section.

(2) If the taxpayer fails to make and file a return required by Section 7 of this Act on or before the due date of the return or the due date as extended by the department, then, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the department shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided, however, that in no case shall the penalty be less than ten dollars ($10).

(3) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other applicable penalties provided in this section shall apply.

(4) If any assessment made by the department is not paid within the time prescribed, or protested in accordance with KRS 131.110, the taxpayer shall pay as a penalty, in addition to the amount of the tax and other applicable penalties, one percent (1%) of the tax for each thirty (30) days or fraction thereof the tax remains unpaid.

(5) If any taxpayer fails to pay the tax imposed by Section 2 of this Act within the time prescribed, unless it is shown to the satisfaction of the department that the failure was due to reasonable cause, the

department may assess a penalty of ten percent (10%) of the tax due, provided, however, that in no case shall the penalty be less than ten dollars ($10).

SECTION 15. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

(1) Any taxpayer who fails to file required returns and remit the tax due under Sections 1 through 15 of this Act shall be guilty of a misdemeanor and upon conviction therefor shall be fined an amount not less than ten dollars ($10) nor more than one hundred dollars ($100), or imprisoned for a period not to exceed thirty (30) days, or both such fine and imprisonment.

(2) Any taxpayer, including any officer of a corporation, who engages in the severing of natural resources in this state or sells or uses natural resources so severed without obtaining a certificate of registration or after a certificate of registration has been suspended or revoked, shall be guilty of a misdemeanor and upon conviction therefor, shall be fined an amount not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) or imprisoned for a period not to exceed six (6) months, or both such fine and imprisonment.

SECTION 16. A NEW SECTION OF KRS CHAPTER 143A IS CREATED TO READ AS FOLLOWS:

No suit shall be maintained in any court to restrain or delay the collection or payment of the taxes levied in Section 2 of this Act.

Section 17. KRS 137.120 is amended to read as follows:

(1) Every producer of crude petroleum oil shall pay a tax for state purposes equal to *seven and one-half percent (7 ½%)* [one half of one per cent (.5%)] of the market value of all crude petroleum produced by him in this state.

(2) A producer of crude petroleum oil shall include any person owning an interest in crude petroleum oil produced in this state.

(3) Any county may impose a tax for road, county or school purposes of not more than one per cent (1%) of the market value of all crude petroleum produced in the county. The fiscal court may levy this tax for county purposes, and shall determine what funds shall receive the tax when collected. When crude petroleum is produced in any separate taxing district in a county, the fiscal court shall equitably distribute such taxes between the county and the taxing district.

(4) The taxes provided by this section shall be imposed and attached when the crude petroleum is first transported from the tanks or other receptacle located at the place of production, and shall be imposed ratably upon all persons owning any interest in such oil.

SECTION 18. A NEW SECTION OF KRS CHAPTER 137 IS CREATED TO READ AS FOLLOWS:

No suit shall be maintained in any court to restrain or delay the collection or payment of the tax levied in Section 17 of this Act.

Section 19. The provisions of this Act shall become effective July 1, 1980.

HB 970, AN ACT relating to local government economic assistance and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

There is hereby established in the state treasury a fund entitled "local government economic assistance fund" effective July 15, 1980. The fund may receive state appropriations, gifts, grants and federal funds and shall be disbursed by the state treasurer upon the warrant of the secretary of the department of finance. Any unallotted or unencumbered balances in the fund shall be invested in United States government securities maturing not later than one (1) year from the date of investment and the income earned from such investment shall be prorated for expenditure in coal producing counties according to each such county's allocable part in the fund.

(1) An amount equal to one-half (½) of the tax collected on the sale of minerals exclusive of coal, will be transferred from the general fund into this fund; and

(2) An amount equal to one-half (½) of the severance taxes on coal collected in fiscal year 1981-82, and each fiscal year thereafter, in excess of $177.6 million shall be transferred from the general fund into this fund immediately after the close of the fiscal year accounting records.

SECTION 2. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

There is established within the department of local government a local government economic assistance program to consist of a system of grants to local governments to improve the environment for new industry and to improve the quality of life for the residents. Monies set aside for this program may be approved for uses that meet the federal general revenue sharing guidelines for local governments.

(1) The department of local government shall be responsible for the promulgation of rules and regulations necessary to implement the grants programs authorized by this Act and for assuring that the public hearings required for federal general revenue sharing guidelines are met for the expenditure of funds received under this program.

(2) The department of local government shall submit an annual report to the governor indicating how the grants were used and an evaluation of the program's effectiveness in improving the economy of the units of government receiving assistance.

(3) The department of transportation shall provide to the department of finance the highway miles of roadway in each county that comprises the coal haul system and the quantities of coal. Every carrier for hire or common carrier hauling coal over the public highways, roads and streets shall file with the department of transportation such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying the highways, roads and streets comprising the coal haul system and the quantities of coal transported thereon.

SECTION 3. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Any assistance granted under this Act shall include an agreement that an independent annual audit shall be conducted and that the audit report will include a certification that said funds were expended for the purpose intended. A copy of this certification of compliance shall be forwarded to the department of local government within one hundred eighty (180) days after the end of the fiscal year.

SECTION 4. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

No assistance shall be approved in excess of funds received and transferred to the account of any respective unit of government; and no assistance shall be approved for a unit of government failing to submit the certification of compliance required in Section 3 of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Monies in the local government economic assistance fund shall be allocated among the counties as follows:

(1) Funds allocated under Section 1(2) of this Act;

(a) Sixty percent (60%) shall be distributed to each coal producing county on the basis of the ratio of tax collected on coal severed in each respective county to the tax collected statewide.

(b) Thirty percent (30%) shall be distributed to each coal producing county on the basis of per capita income (inverse order), and ton miles of resource roads equally weighted.

(c) Ten percent (10%) shall be distributed to non-coal producing counties impacted by the transport of coal on the basis of geographic area, ton miles of resource roads, and per capita income (inverse order), equally weighted.

(2) All funds allocated under Section 1(1) of this Act shall be distributed among the mineral producing counties on the basis of the ratio of the tax collected on minerals severed in each respective county to the tax collected statewide.

SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Funds set aside for assistance to each respective county under Section 5 of this Act shall be distributed among the county government and incorporated municipal governments on the basis of the federal general revenue sharing funds received during the previous fiscal year.

SECTION 7. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The department of finance shall be responsible for distributing funds in the local government economic assistance fund on the basis of the distribution formula set forth in Sections 5 and 6 of this Act, and for maintaining the necessary accounting records to record transactions in each account.

SECTION 8. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Monies in the local government economic assistance fund are hereby appropriated, and shall be treated as a continuing appropriation and shall not lapse at the end of the fiscal year.

SECTION 9. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

All unencumbered fund balances in each county's account established under KRS 42.300 and all unencumbered fund balances in each county's account established under KRS 42.330 shall be transferred *to that county's account set up in this Act. Funds transferred may be used for those purposes authorized by this Act.*

Section 10. There is hereby appropriated to the local government economic assistance fund from the general fund the sum of $1,500,000 in fiscal year 1980-81. These fund shall be distributed among the counties on the basis of the formula set forth in Section 5(1)(c) of this Act.

Section 11. The following KRS sections are repealed:
42.300 Coal producing county development fund.
42.310 Advisory committee — Membership — Functions.
42.325 Definitions for KRS 42.330 to 42.340.
42.325 Definitions for KRS 42.330 to 42.340.
42.370 Amounts to be expended from fund.
177.960 Energy road fund — Use — Fiscal courts to advise.
177.970 Coal impact road fund — Use — Appropriation.

HB 973, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.210 is amended to read as follows:

As used in KRS 138.220 to 138.340, unless the context requires otherwise:

[(1) "Accountable loss" of gasoline means loss or destruction of "received" gasoline through wrecking of transportation conveyance, explosion, fire, flood or other casualty loss, or "received" gasoline contaminated and returned to storage; Provided That any such loss shall have been reported within ten (10) days after discovery of such loss to the department in a manner and form prescribed by the department, supported by proper evidence which in the sole judgment of the department substantiates the alleged loss or contamination and which is confirmed in writing to the reporting dealer by the department. The department may make any investigation deemed necessary to establish the bona fide claim of the loss.

(2) "Dealer" means any person who:

(a) Imports into this state and stores, or causes to be imported into and stored in this state, gasoline for use, distribution or sale and delivery in this state after it has been stored in this state; Provided That the term "dealer" as used in KRS 138.220 to 138.340 shall not include any person who imports gasoline acquired from a refiner or other supplier who, at the time of such importation, is a duly licensed dealer in this state, except as may otherwise be provided under regulations of the department.

(b) Receives or accepts delivery of gasoline within this state into bulk storage facilities owned or operated for the storage of gasoline for transshipment within or without this state.

(c) Refines, produces, distills, manufactures, blends or compounds gasoline in this state.

(d) Receives or accepts delivery within this state of gasoline for resale within this state in amounts of not less than an average of 100,000 gallons per month during any prior consecutive twelve (12) months' period, when in the opinion of the department, such person has sufficient financial rating and reputation to justify the conclusion that he will pay all taxes and comply with all other obligations imposed upon a dealer.

(1)[3)] "Department" means the department of revenue.

(2)[(4)] "Gasoline" means all liquid fuels, including liquids ordinarily, practically and commercially usable in internal combustion engines for the generation of power, and all distillates of and condensates from petroleum, natural gas, coal, coal tar, vegetable ferments and all other products so usable except propane, butane or other liquefied petroleum gases, kerosene, cleaner solvent, fuel oil, diesel fuel and crude oil.

(3) "Wholesale price" means the price charged for gasoline on the last sale (commonly known as a sale to a retail service station) prior to the sale to the final consumer. In the absence of such a sale or in the case of a sale from the refinery directly to the consumer, "wholesale price" shall be the same as the price of gasoline sold to retail outlets as determined in accordance with procedure established by the department.

(4) "Wholesaler" means any person who sells gasoline at the wholesale price.

[(5) "Received" or "received gasoline" shall have the following meanings:

(a) Gasoline produced, manufactured or compounded at any refinery in this state or gasoline acquired by any dealer and delivered into or stored in refinery, marine or pipeline terminal storage facilities in this state shall be deemed to be received when it has been loaded for bulk delivery into tank cars or tank trucks consigned to destinations within this state. For the purpose of the proper administration of this chapter and to prevent the evasion of the tax and to enforce the duty of the dealer to collect the tax, it shall be presumed that all gasoline loaded by any licensed dealer within this state into tank cars or tank trucks is consigned to destinations within this state unless the contrary is established by the dealer pursuant to rules and regulations prescribed by the department.

(b) Gasoline acquired by any dealer in this state, and not delivered into refinery, marine or pipeline terminal storage facilities, shall be deemed to be received when it has been placed into storage tanks or other containers for use or subject to withdrawal for use, delivery, sale or other distribution. Dealers may sell gasoline to licensed bonded dealers in this state in transport truckload, carload or cargo lots, withdrawing such gasoline from refinery, marine, pipeline terminal or bulk storage tanks, without paying the tax on such gasoline. In such instances the licensed bonded dealer purchasing such gasoline shall be deemed to have received such gasoline at the time of withdrawal from the seller's storage facility and shall be responsible to the state for the payment of the tax thereon and shall report and pay the tax on such gasoline purchased and received.

(6) "Refinery" means any place where gasoline is refined, manufactured, compounded or otherwise prepared for use.

(7) "Storage" means all gasoline produced, refined, distilled, manufactured, blended or compounded and stored at a refinery storage or delivered by boat at a marine terminal for storage or delivered by pipeline at a pipeline terminal, delivery station or tank farm for storage.

(8) "Transporter" means any person who transports gasoline on which the tax has not been paid or assumed.

(9) "Bulk storage facility" means gasoline storage facilities of not less than twenty thousand (20,000) gallons owned or operated at one (1) location by a single owner or operator for the purpose of storing gasoline for resale or delivery to retail outlets or consumers.]

Section 2. KRS 138.220 is amended to read as follows:

[(1) Except as provided in subsection (2) of this section,] An excise tax of nine *percent (9%) of the wholesale price* [cents per gallon] shall be paid on all gasoline *sold* [received] in this state. No other excise or license tax shall be levied or assessed on gasoline by the state or any political subdivision of the state. The tax herein imposed shall be paid *to the department* by the *wholesaler selling* [dealer receiving] the gasoline [to the state treasurer] in the manner and within the time specified in KRS 138.230 to 138.340. Nothing herein contained shall authorize or require the collection of the tax upon any gasoline after it has been once taxed under the provisions of this section.

[(2) In the event that, on or after January 1, 1977, the federal government enacts a law whereby the federal tax on gasoline is reduced, by tax credits, or reduced rate, in any state which increases its own tax by the minimum specified amount, the rate in subsection (1) of this section shall automatically increase by the minimum amount required to pick up the federal credit or decrease in federal tax.

(3) However, in the event that the federal government enacts a law whereby the federal tax on gasoline is reduced and this tax reduction could be passed down as a net savings to the consumer, the provisions in subsection (2) of this section would not be operative.]

Section 3. KRS 138.230 is amended to read as follows:

Every *wholesaler selling* [dealer receiving] gasoline in this state shall keep, and preserve for *five (5)* [two (2)] years, an accurate record of all receipts and of all production, refining, manufacture, compounding, use, sale, distribution and delivery of gasoline, together with invoices, bills of lading and other pertinent records and papers required by the department of revenue. [Every person purchasing gasoline from a dealer for resale shall keep, and preserve for a period of one (1) year, a record of all such gasoline so purchased and sold or used, and the amount of tax paid to the dealers as part of the purchase price, together with delivery tickets, invoices, bills of lading and such other records as the department shall require.]

Section 4. KRS 138.240 is amended to read as follows:

(1)] Every *wholesaler* [dealer or the treasurer or other proper officer or agent of every dealer] shall, by the twenty-fifth day of each month, transmit to the department of revenue a report under oath or affirmation, on such forms as the department may prescribe. *The report shall show the total receipts from all gasoline sold at wholesale price and the amount paid for gasoline sold directly to consumers during the preceding calendar month* [, of the total number of gallons of gasoline received in this state during the next preceding calendar month. This report shall include the following information:

(a) An itemized statement of the number of gallons received that have been produced, refined, manufactured or compounded by the dealer in this state during the next preceding calendar month.

(b) An itemized statement of the number of gallons of gasoline received by the dealer in this state from any source during the next preceding calendar month as shown by shippers' invoices, other than the gasoline falling within the provisions of paragraph (a) of this subsection, together with a statement showing the date of receipt of such gasoline, the name of the person from whom purchased, the date of receipt of each shipment, the point of origin and the point of destination, the quantity of each purchase or shipment, the name of the carrier, the initials and number of each tank car, the date of receipt and the number of gallons contained in each car if shipped by rail or the name and owner of the boat, ship, truck, transport, barge or vessel if shipped by water.

(2) The report required by subsection (1) of this section shall also contain an itemized statement of the number of gallons of received gasoline that the dealer has, during the preceding calendar month:

(a) Sold to the United States government in single deliveries of not less than two thousand gallons each;

(b) Sold for delivery in this state in transport truck, tank car or cargo lots to licensed bonded dealers. The statement shall give a record of all such transport truck, tank car or cargo sales of gasoline, giving the date of shipment, the number of gallons contained in each shipment, the name of owner and license number of truck if shipped by transport truck, the initials and number of the tank car if shipped by rail, the name and owner of the boat, barge or vessel and the number of gallons contained therein if shipped by water, and the name of the person to whom sold, point of shipment and point of delivery;

(c) Lost through accountable losses;

(d) Exported or sold for export from this state to any other state].

Section 5. KRS 138.280 is amended to read as follows:

[(1)] The reports required by KRS 138.240 shall be accompanied by a certified or cashier's check, payable to the state treasurer, for the amount of tax due for the preceding calendar month, [computed as provided in KRS 138.270;] except that the department may waive this requirement and accept the *wholesaler's* [dealer's] check where the *wholesaler* [dealer] is of sound financial condition and has established a good record of compliance with the requirements of KRS 138.210 to 138.340.

[(2) By virtue of the allowance provided by KRS 138.270 to dealers for collecting and remitting the tax, every dealer is a trust officer of the state.]

Section 6. KRS 138.290 is amended to read as follows:

(1) If any *wholesaler* [dealer] neglects or refuses to make the return required by KRS 138.240 or to pay the tax at the time provided, a penalty of twenty per cent (20%) thereof and interest at *ten percent (10%)* [six per cent (6%)] per annum from the date when due shall be paid as a part of the tax. If collected by proceedings in court, an additional penalty of twenty per cent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060.

(2) If any taxpayer subject to the penalty provided in subsection (1) of this section submits in writing to the department, his reasons for failure to comply with KRS 138.240, and if the department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five per cent (5%) of the amount of the tax due and delinquent, provided that the department may reduce or waive the penalty when in the sole discretion of the department the exaction of the penalties provided above would be inequitable or unjust.

(3) Any *wholesaler* [dealer or transporter] who fails to make any report or return required under KRS 138.240 or KRS 138.260 within the time required shall pay a penalty of ten dollars ($10.00) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 138.210 to KRS 138.340 inclusive or in a civil action, at the instance of the department. In addition such delinquent may be compelled to make the required report or return.

Section 7. KRS 138.300 is amended to read as follows:

No *wholesaler* [dealer] or other person shall fail or refuse to make the returns and pay the tax prescribed by KRS 138.220 to 138.280, or refuse to permit the department of revenue or its representatives appointed by the commissioner of revenue in writing to examine his records, papers, files and equipment pertaining to the taxable business. No person shall make an incomplete, false or fraudulent return, or do or attempt to do anything to avoid a full disclosure of the amount of business done or to avoid the payment of the whole or any part of the tax or penalties due. No person shall fail to keep and preserve records of gasoline manufactured, transported, received, used, sold or delivered or to make reports as required by KRS 138.230 to 138.280.

Section 8. KRS 138.310 is amended to read as follows:

(1) No person shall receive, use, sell, transport, store or distribute any gasoline upon which the tax has not been paid or assumed or engage in the sale, storage or transportation of any gasoline within this state upon which the tax has not been paid unless he is the holder of an uncanceled license issued by the department of revenue to engage in such business.

(2) [Any licensed transporter other than a regularly licensed gasoline dealer transporting gasoline upon which the tax has not been paid or assumed by motor vehicle shall have plainly painted thereon name, address, and permit number of licensed transporter.

(3)] Any person who engages in the business of [receiving,] using, selling, transporting, storing or distributing gasoline in this state as a *wholesaler* [dealer, storage operator or transporter without holding an uncanceled license to engage in such business, or who without such license, [receives,] uses, sells, transports, stores, or distributes any gasoline upon which the tax imposed by KRS 138.220 has not been reported and paid, shall pay a penalty equal to twenty per cent (20%) of the amount of the tax on such gasoline so [received,] used, sold, transported, stored or distributed.

Section 9. KRS 138.320 is amended to read as follows:

(1) To procure the license required by KRS 138.310, every *wholesaler* [dealer or transporter] so required shall file with the department of revenue an application under oath or affirmation, in such form and containing such information as the department may deem necessary.

(2) [If the dealer or transporter is a corporation organized under the laws of another state, it shall file with its application a certified copy of the certificate or license issued by the secretary of state of this state showing that the corporation is authorized to transact business in this state.

(3)] At the time of filing application for a license, a bond of the character stipulated and in the amount provided for in KRS 138.330 shall be filed with the department. No license shall be issued upon any application unless accompanied by this bond.

(3)[(4)] If application for such a license is filed by any person whose license has at any time previously been canceled for cause by the department, or if the department is of the opinion that the application is not filed in good faith, or that the application is filed by some person as a subterfuge for the real person in interest whose license or registration has previously been canceled for cause by the department, the department may, after a hearing of which the applicant has been given five (5) days' notice in writing, and in which the applicant shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(4)[(5)] The application in proper form having been accepted for filing, and the bond having been accepted and approved, the department shall issue to the applicant a license, subject to cancellation as provided by KRS 138.340. The license shall not be assignable, and shall be valid only for the person in whose name it is issued, and shall be displayed conspicuously in the principal place of business of the dealer in this state.

(5)[(6)] The department shall keep and file all applications and bonds, with an alphabetical index thereof, together with a record of all licensed *wholesalers* [dealers or transporters]. The department shall publish and keep currently up to date a list of licensed *wholesalers* [dealers and transporters], and transmit a copy of list and all revisions thereof to all licensed *wholesalers* [dealers and transporters].

Section 10. KRS 138.330 is amended to read as follows:

(1) Every *wholesaler* [dealer or transporter] required to be licensed under KRS 138.310 shall file with the department of revenue a bond, issued by a corporation authorized to do surety business in Kentucky, in an amount not to exceed three (3) months' estimated liability as computed by the department or five thousand dollars ($5,000) whichever is greater, or in the case of a new licensee in the minimum amount of five thousand dollars ($5,000) until such time as an estimated three (3) months' liability can be established, provided that the maximum amount of any such bond may be reduced to an amount sufficient in the opinion of the department, considering the financial rating and reputation of the company, to insure payment to the department of the amount of tax, penalties and interest for which the *wholesaler* [dealer or transporter] may become liable. The bond shall be on a form and with a surety approved by the department. The *wholesaler* [dealer or transporter] shall be the principal obligor and the state the obligee. The bond shall be conditioned upon the prompt filing of true reports by the dealer and transporter and the payment by the *wholesaler* [dealer] to the state treasurer of all gasoline excise taxes now or hereafter imposed by the state, together with all penalties and interest thereon, and generally upon faithful compliance with the provisions of KRS 138.210 to 138.340.

(2) If liability upon the bond is discharged or reduced, whether by judgment rendered, payment made or otherwise, or if in the opinion of the department any surety on the bond has become unsatisfactory or unacceptable, the department may require the licensee to file a new bond with satisfactory sureties in the same amount, failing which the department shall forthwith cancel the license of such licensee. If a new bond is furnished as provided above, the department shall cancel and surrender the bond for which the new bond is substituted.

(3) If upon hearing, of which the licensee shall be given five (5) days' notice in writing, the department decides that the amount of the existing bond is insufficient to insure payment to the state of the amount of tax, penalties and interest for which the licensee is or may become liable, said licensee shall forthwith, upon the written demand of the department, file an additional bond in the same manner and form with a surety thereon approved by the department, in any amount determined by the department to be necessary, failing which the department shall forthwith cancel the license of the licensee.

(4) Any surety on a bond furnished as required by this section shall be released from all liability to the state accruing on such bond after the expiration of sixty (60) days from the date upon which the surety has lodged with the department a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty (60) day period. The department shall promptly, upon receipt of such request, notify the licensee who furnished the bond, and unless said licensee, before the expiration of the sixty (60) day period, files with the department a new bond with a surety satisfactory to the department in the amount and form hereinbefore provided, the department shall forthwith cancel the license of the licensee. If approved new bond is furnished the department shall cancel and surrender the bond for which the new bond is substituted.

Section 11. KRS 138.340 is amended to read as follows:

(1) If any *wholesaler* [dealer or transporter] required to be licensed under KRS 138.310 files a false monthly report of the data or information required by KRS 138.220 to 138.280, or fails, refuses or neglects

to file the monthly report required by those sections, even though no tax is due, or to pay the full amount of tax as required by those sections, [or fails to meet the qualifications of a dealer as set out in KRS 138.210 (2),] or violates any other provision of this chapter, said *wholesaler* [dealer or transporter] may be cited by the department of revenue to show cause at a public hearing before the Kentucky board of tax appeals why his license should not be revoked. Such licensee shall be notified by registered letter or summons. The letter or summons shall apprise the licensee of the charge or charges made against him and he shall have a reasonable opportunity to be heard before his license may be revoked. The summons may be served in the same manner and by the same officers or persons as provided by the Rules of Civil Procedure, or it may be served in said manner by an employe of the department of revenue. The hearing shall be set at least five (5) days after the summons is served or the letter delivered. Any aggrieved licensee may appeal from an order of revocation of the Kentucky board of tax appeals as provided by law, subject to the condition that the licensee has made bond sufficient in the opinion of the department of revenue to protect the commonwealth from loss of revenue.

(2) The department is hereby given the power to cancel the license upon request in writing from licensee such cancellation to become effective sixty (60) days from the date of receipt of the request. But no license shall be canceled upon the request of any licensee until and unless said licensee, prior to the date of such cancellation, pays to the state all excise taxes payable under the laws of the state together with any and all penalties and fines accruing by reason of any failure on the part of such licensee to make accurate reports as required or pay such taxes and penalties.

Section 12. KRS 138.343 is amended to read as follows:

As used in KRS 138.343 to 138.355, unless the context requires otherwise:

(1) "Gasoline" is defined as in KRS 138.210 *(2)*[(4)].

(2) *"Wholesaler* ["Dealer"] is defined as in KRS 138.210 *(4)*[(2)].

(3) "Department" means the department of revenue.

(4) "Agricultural purposes" means purposes directly related to the production of agricultural commodities and the conducting of ordinary activities on the farm.

(5) "Public highways" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel.

Section 13. KRS 138.347 is amended to read as follows:

(1) Each licensed gasoline *wholesaler* [dealer] shall, in accordance with the department's requirements, keep at his principal place of business in this state a complete record of all such gasoline sold by him under gasoline refund invoices provided for in KRS 138.351, which records shall give the date of each such sale, the number of gallons sold, the name of the person to whom sold and the sale price.

(2) Every person to whom a refund permit has been issued under KRS 138.345 shall, in accordance with the department's requirements, keep at his residence or principal place of business in this state a record of each purchase of gasoline from a licensed *wholesaler* [dealer] or the *wholesaler's* [dealer's] authorized agent, the number of gallons purchased, the name of the seller, and the date of purchase.

(3) The records required to be kept under subsections (1) and (2) of this section shall at all reasonable hours be subject to inspection by the department or by any person duly authorized by it. Such records shall be preserved and shall not be destroyed until one (1) year after the date the gasoline to which they relate was sold and purchased.

Section 14. KRS 138.348 is amended to read as follows:

(1) The department may require any *wholesaler* [dealer] or any *wholesaler's* [dealer's] authorized agent to identify refund gasoline sold by him by adding thereto any chemical or substance, which shall be furnished by the department and used in the manner as prescribed by the department.

(2) Refund gasoline shall not be sold in quantities of less than fifty (50) gallons. The refund permit holder shall receive and store all such gasoline in containers plainly marked with distinguishing letters "Refund Gasoline," and shall keep such containers on his premises accessible to agents of the department and separate from other gasoline stored on his premises.

(3) Agents of the department are authorized to go upon the premises of any permit holder or of any licensed gasoline *wholesaler* [dealer] or his authorized agent as defined in KRS 138.343 to make inspections to ascertain any matter connected with the operation of KRS 138.343 to 138.355 or the enforcement thereof; Provided, however, That no agent shall enter the dwelling of any person without the occupant's consent or the authority from a court of competent jurisdiction.

Section 15. KRS 138.349 is amended to read as follows:

No person shall execute a gasoline refund invoice, as described in KRS 138.351, who is not a *wholesaler* [dealer], as defined in subsection *(4)*[(2)] of KRS 138.210 or a sub-jobber duly authorized by a licensed *wholesaler* [dealer], to execute gasoline refund invoices as his agent. In no instance shall refund invoices be executed for purchases from retail filling stations.

Section 16. KRS 138.355 is amended to read as follows:

If the department reasonably believes that any *wholesaler* [dealer] or refund permit holder has been guilty of a violation of KRS 138.343 to 138.355, which would subject the *wholesaler* [dealer] or permit holder to a suspension or revocation of his license or permit under the provisions of subsections (2), (3) or (4) of KRS 138.354, said *wholesaler* [dealer] or permit holder may be cited by the department to show cause at a public hearing before the department of revenue why his license or permit should not be suspended or revoked. The *wholesaler* [dealer] or refund permit holder shall be notified by registered letter. The letter shall inform the *wholesaler* [dealer] or refund permit holder of the charge or charges made against him and he shall have a reasonable opportunity to be heard before his license or permit may be revoked or suspended. The hearing shall be set at least five (5) days after the receipt of the letter. Any aggrieved *wholesaler* [dealer] or refund permit holder may appeal any order entered to the Kentucky board of tax appeals as provided by law, subject to the condition that he make bond sufficient in the opinion of the department to protect the commonwealth from loss of revenue.

Section 17. KRS 138.560 is amended to read as follows:

As used in KRS 138.560 to 138.640 and subsection (16) of KRS 138.990, unless the context otherwise requires:

(1) "Department" means the department of revenue;

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause prescribing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to corporations, the officers thereof;

(3) "Special fuels" means and includes all combustible gases and liquids capable of being used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210, and liquefied petroleum gas as defined in KRS 234.100;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semi-trailer attached to or having its front end supported by such motor vehicle;

(5) "Public highways" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel, notwithstanding that they may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair, or reconstruction;

(6) *"Wholesale price" means the price charged for special fuels on the last sale (commonly known as a sale to a retail service station) prior to the sale to the final consumer. In the absence of such a sale or in the case of a sale from the refinery directly to the consumer, "wholesale price" shall be the same as the price of special fuels sold to retail outlets as determined in accordance with procedure established by the department* ["Special fuels dealer" means any person who delivers special fuels into tanks or other containers equipped with a hose or other apparatus by which such fuel can be dispensed therefrom into the fuel tank of a motor vehicle].

(7) "Wholesaler" means any person who sells special fuels at the wholesale price.

Section 18. KRS 138.565 is amended to read as follows:

(1) [Except as provided in subsection (3) of this section,] An excise tax of nine *percent (9%) of the wholesale price* [cents per gallon] is hereby levied and shall be paid *to the department* by the special fuels *wholesaler* [dealer to the department]:

(a) For all special fuels delivered into any tank or other container equipped with a hose or other apparatus designed to dispense such fuels into the fuel supply tank of a motor vehicle except when such deliveries are made to another licensed special fuels *wholesaler* [dealer]. The tax imposed by this section shall not apply to special fuels delivered into storage facilities of consumers or persons engaged in the business of selling special fuels for use in motor vehicles when such special fuels are to be sold or used for nonhighway purposes and provided that the storage facilities for such special fuels have been approved and identified as nontaxable storage pursuant to regulations of the department provided that the department may not refuse to approve such nontaxable storage except for adequate cause.

(b) For all special fuels withdrawn by any special fuels *wholesaler* [dealer] and dispensed into the fuel supply tank of a motor vehicle. [An allowance of one percent of the tax shall be made to the special fuels dealer to cover unaccountable losses, bad debts, and handling and reporting the tax.] For the purpose of the proper administration of this chapter and to prevent the evasion of the tax and to enforce the duty of the special fuels *wholesaler* [dealer] to collect the tax, it shall be presumed that all special fuels delivered by any special fuels *wholesaler* [dealer] within this state are taxable unless the contrary is established by the special fuels *wholesaler* [dealer] pursuant to regulations prescribed by the department.

(2) No other excise or license tax shall be levied or assessed on special fuels by any political subdivision of the state.

[(3) In the event that, on or after January 1, 1977, the federal government enacts a law whereby the federal tax on diesel fuel and other special motor fuels is reduced, by tax credits, or reduced rate, in any state which increases its own tax by the minimum specified amount, the rate in subsection (1) of this section shall automatically increase by the minimum amount required to pick up the federal credit or decrease in federal tax.

(4) However, in the event that the federal government enacts a law whereby the federal tax on gasoline is reduced and this tax reduction could be passed down as a net savings to the consumer, the provisions in subsection (3) of this section would not be operative.]

Section 19. KRS 138.570 is amended to read as follows:

(1) A license shall be required of each special fuels *wholesaler* [dealer and each special fuels user-seller].

(2) Application for a license shall be made to the department upon forms prepared and furnished by the department. The application shall contain such information as the department deems necessary.

(3) Concurrently with the filing of an application for a license, the special fuels *wholesaler* [dealer] shall file with the department a bond as required under KRS 138.575. No license shall be issued to any person unless such person has furnished a bond as provided in KRS 138.575 to secure payment of taxes, penalties and interest imposed by KRS 138.560 to 138.640. [No bond shall be filed with an application for special fuels user-seller license.]

(4) The application in proper form having been accepted for filing, the bond, if required, having been accepted and approved and the other conditions and requirements of this section having been complied with, the department shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the department, or if the department is of the opinion that the person who makes the application as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not for sufficient cause, the department may, after a hearing of which the applicant shall be given ten (10) days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise canceled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The department shall keep and file all applications and bonds, with an alphabetical index thereof.

Section 20. KRS 138.575 is amended to read as follows:

(1) Every special fuels *wholesaler* [dealer] shall file with the department a corporate bond, cash bond or securities approved by the department in a minimum amount of five hundred dollars ($500) and in a maximum amount of four (4) months' liability for taxes imposed under KRS 138.560 to 138.640 but not to exceed fifty thousand dollars ($50,000). If however, a special fuels *wholesaler* [dealer] is bonded as provided in KRS 138.330 the department may waive the bonding requirement in this section provided a rider is attached to such bond to guarantee payment of all special fuels taxes together with all penalties and interest thereon and secure faithful compliance with the provisions of KRS 138.560 to 138.640. The applicant for a license shall be the principal obligor and this state shall be the obligee. The bond shall be conditioned upon the prompt filing of true reports and the payment by the licensee to the department of all taxes levied under KRS 138.560 to 138.640, together with all penalties and interest thereon and generally upon faithful compliance with the provisions of KRS 138.560 to 138.640.

(2) If the liability upon the bond is discharged or reduced, whether by judgment rendered, payment made, or otherwise or if in the opinion of the department any surety has become unsatisfactory or unacceptable, the department may require the licensee to file a new bond with satisfactory surety in the same form and amount, failing which the department shall forthwith cancel the license. If a new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

(3) If upon hearing, of which the licensee shall be given ten (10) days' notice in writing, the department decides that the amount of the existing bond is insufficient to insure payment to this state of the amount of the tax, penalties and interest for which the licensee is or may become liable, the licensee shall forthwith, upon the written demand of the department, file an additional bond in the same manner and form with surety thereon approved by the department, in any amount determined by the department to be necessary, failing which the department shall forthwith cancel the license.

(4) Any surety on a bond furnished by a licensee shall be released from all liability to this state accruing on such bond after the expiration of sixty (60) days from the date upon which the surety has lodged with the department a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty (60) day period. The department shall promptly on the receipt of the request, notify the licensee who furnished the bond, and unless the licensee shall, before the expiration of the sixty (60) day period, file with the department a new bond with surety satisfactory to the department in the amount and form hereinbefore provided, the department shall forthwith cancel the license. If the new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

Section 21. KRS 138.580 is amended to read as follows:

(1) If a licensee at any time files a false monthly report of the information required, or fails or refuses to file the monthly report or to pay the full amount of the tax or violates any other provision of KRS 138.560

to 138.640, inclusive, without a showing that such failure was due to reasonable cause, the department may cancel the license and suspend the privilege of acting as a special fuels *wholesaler* [dealer].

(2) Upon voluntary surrender of the license or upon receipt of a written request by a licensee, the department may cancel his license, effective sixty (60) days from the date of request, but no such license shall be canceled upon surrender or request unless the licensee has, prior to the date of cancellation, paid to this state all taxes, penalties, interest and fines that are due or have accrued, and unless the licensee has surrendered to the department his license.

(3) If upon investigation the department ascertains that any person to whom a license has been issued is no longer engaged as a special fuels *wholesaler* [dealer or special fuels user-seller], and has not been so engaged for a period of six (6) months, the department may cancel such license by giving the person sixty (60) days' notice of cancellation, mailed to his last known address, in which event the license shall be surrendered to the department.

(4) Whenever a licensee ceases to engage in business within this state, he shall notify the department in writing within fifteen (15) days after discontinuance. All taxes that have accrued under KRS 138.560 to 138.640, inclusive, whether or not then due, shall become due and payable concurrently with such discontinuance. The licensee shall make a report and pay all such taxes and any interest and penalties thereon, and shall surrender to the department his license.

(5) If the license is canceled by the department as provided in this section, and if the licensee has paid to this state all taxes, interest and penalties due under KRS 138.560 to 138.640 and 138.990, the department shall cancel the bond filed by the licensee.

Section 22. KRS 138.585 is amended to read as follows:

Every special fuels *wholesaler* [dealer] licensee shall maintain complete records of inventories, purchases, sales, use and other dispositions of special fuels. Such records, together with manifests of lading, invoices, correspondence and other papers pertaining to special fuels shall be retained for a minimum period of *five (5)* [two (2)] years, and, if requested by the department, shall be made available for examination by the department.

Section 23. KRS 138.590 is amended to read as follows:

(1) Every special fuels *wholesaler* [dealer] licensee shall file with the department, on forms prescribed by the department, a monthly tax return. The return shall be made under penalty of perjury and shall show such information as the department may require. The licensee shall file the return on or before the twenty-fifth day of the next succeeding calendar month following the month to which it relates.

(2) The monthly tax return shall be accompanied by remittance covering the tax due.

Section 24. KRS 138.625 is amended to read as follows:

(1) If any special fuels *wholesaler* [dealer] neglects or refuses to make the return required by KRS 138.590 or to pay the tax at the time provided, a penalty of twenty per cent (20%) thereof and interest at *ten percent (10%)* [six per cent (6%)] per annum from the date when due shall be paid as a part of the tax. If collected by proceedings in court, an additional penalty of twenty per cent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060.

(2) If any taxpayer subject to the penalty provided in subsection (1) of this section submits in writing to the department, his reasons for failure to comply with KRS 138.590, and if the department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five per cent (5%) of the amount of the tax due and delinquent, provided the five per cent (5%) penalty may be reduced to a one per cent (1%) penalty if the violation is the first violation by the taxpayer within twelve (12) months.

(3) Any special fuels *wholesaler* [dealer] who fails to make any return required under KRS 138.590 within the time required shall pay a penalty of ten dollars ($10.00) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 138.560 to 138.640 inclusive or in a civil action initiated by the department. In addition such delinquent taxpayer may be compelled to make the required report or return.

Section 25. KRS 138.630 is amended to read as follows:

With respect to KRS 138.560 to 138.640, it is unlawful for any person to:

(1) Fail to pay the taxes due;

(2) Fail, neglect or refuse to make and file any statement required in the manner or within the time required;

(3) Make any false statement or conceal any material fact in any record, report or affidavit;

(4) Conduct any activities requiring a license without a license or after a license has been surrendered, canceled or revoked;

(5) Assign or attempt to assign a license to act as a special fuels *wholesaler* [dealer];

(6) Deliver special fuels from a tank truck into the motor fuel tank of a motor vehicle; or

(7) Violate any other provisions.

Section 26. KRS 138.645 is amended to read as follows:

Any gasoline *wholesaler* [dealer] or special fuels *wholesaler* [dealer] having a license revoked for the violation of any of the provisions contained in KRS 138.340 or KRS 138.580 may within the discretion of the department be denied the issuance of a gasoline *wholesaler* [dealer] or special fuels *wholesaler* [dealer] license, and any such licensee shall not have an interest in any such license either disclosed or undisclosed whether as an individual, partnership, corporation or otherwise.

Section 27. KRS 138.655 is amended to read as follows:

As used in KRS 138.655 to 138.725 and 138.990 (17) and (18), unless the context requires otherwise:

(1) "Department" means department of motor transportation;

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause describing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to a corporation the officers thereof;

(3) "Public highway" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel notwithstanding that it may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction; also including all city streets, alleys and any way or place on which a toll is charged for using such way or place;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semi-trailer attached to or having its front end supported by such motor vehicle;

(5) "Motor carrier" means every person who operates or causes to be operated on any highway in this state, any bus engaged in hauling passengers for hire operating under a certificate of convenience and necessity and any truck or tractor-trailer combination having a total of three (3) or more axles. The number of axles referred to herein shall include not only those axles on the power unit but if a tractor-trailer combination is involved, also those axles on the trailer or semitrailer;

(a) "Axle" as referred to herein means any two (2) or more load-carrying wheels mounted in a single transverse vertical plane;

(b) "Trailers and semitrailers" are those as defined in subsections (1) and (2) of KRS 186.650, except that it does not include those trailers defined in subsection (3) of KRS 186.650 and those exempted from regulation under KRS 186.675. The term "motor carrier" shall not mean or shall not include any person operating or causing to be operated a city bus except city buses operated across the border of the state of Kentucky;

(6) "City bus" means any motor vehicle used for the transportation of persons for hire exclusively within the limits of any city or within ten (10) miles of its limits over a regular route and exclusively within the boundaries of this state;

(7) "Heavy equipment motor carrier" means any person who operates on the public highways of this state as a "motor carrier" as defined in subsection (5) of this section, except that it shall not include motor vehicles used to transport persons for hire;

(8) "Trip permit" means a permit for the operating during a ten (10) consecutive day period of any motor vehicle of any "heavy equipment motor carrier" not licensed under KRS 138.665;

(9) "Licensee" means for purposes of KRS 138.655 to 138.725 any person who has been granted a license as a "motor carrier" or a "heavy equipment motor carrier," or any motor vehicle in which a valid trip permit is carried;

(10) "Use" means the consumption of gasoline and special fuels in propelling motor vehicles on the public highways;

(11) "Gasoline" means gasoline as defined in KRS 138.210 (4);

(12) "Special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210 (4);

(13) "Quarterly" for the purposes of KRS 138.655 to 138.725 means a three (3) month period ending June 30 in the year 1956 and each succeeding three (3) month period thereafter.

(14) "Wholesale price" shall mean the price defined in KRS 138.210(10) and the department shall by regulation establish guidelines for determining "wholesale price" paid by motor carriers.

Section 28. KRS 138.660 is amended to read as follows:

(1) [Except as provided in subsection (2) of this section,] Every motor carrier shall pay a tax of nine *percent (9%) of the wholesale price* [cents per gallon] on the amount of gasoline and [nine cents per gallon on the amount of special fuels] used in operations on the public highways of this state.

(2) [In the event that, on or after January 1, 1977, the federal government enacts a law whereby the federal tax on gasoline, or diesel and other special motor fuels is reduced, by tax credits, or reduced rate, in any state which increases its own tax by the minimum specified amount, the rate in subsection (1) of this section shall automatically increase by the minimum amount required to pick up the federal credit or decrease in federal tax.

(3) However, in the event that the federal government enacts a law whereby the federal tax on gasoline is reduced and this tax reduction could be passed down as a net savings to the consumer, the provisions in subsection (2) of this section would not be operative.]

(2)[(4)] In addition to the tax imposed in subsection (1) of this section, if the motor carrier is a heavy equipment motor carrier as defined in KRS 138.655, he shall pay a surtax of two cents per gallon on the amount of gasoline and special fuels used in operations on public highways of this state.

(3)[(5)] The tax levied under subsections (1) and *(2)*[(4)] of this section shall be computed and paid as provided in KRS 138.690.

Section 29. KRS 138.662 is amended to read as follows:

(1) City and suburban bus companies and taxicab companies operating under a certificate of convenience and necessity issued pursuant to KRS Chapter 281 shall be entitled to a refund of seven-ninths of the amount of KRS Chapter 138 taxes paid on motor fuels used in their regularly scheduled operations in Kentucky.

(2) No person shall be entitled to a refund hereunder unless he shall have first filed with the department of revenue a bond issued by a surety company authorized to do business in Kentucky in an amount of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) to be determined by the department of revenue, conditioned upon faithful compliance with this section and upon the payment to the Commonwealth of any refunds to which he was not entitled.

(3) Applications for refund shall on or before the last day of each month following the quarter, September 30, December 31, March 31, and June 30, be made to the department of revenue on forms and in the manner prescribed by it for the refund of tax paid on motor fuel used by buses or taxicabs during the quarter; except that a taxicab company may file an application within ninety (90) days after the close of the fiscal year in which the purchases were made. Each application for a refund shall show the number of gallons of motor fuel purchased during the quarter for use in buses or taxicabs; the date and quantity of each purchase; the vendor from whom such fuel was purchased; the number of gallons on which refund is claimed; and such other information as the department of revenue may require. The application shall be made under oath. Invoices shall be attached to applications from taxicab companies.

(4) The department may require any gasoline *wholesaler* [dealer] or any *wholesaler's* [dealer's] authorized agent to identify gasoline sold by him for taxicab use by adding thereto any chemical or substance, which shall be furnished by the department and used in the manner as prescribed by the department. The department also may require that the *wholesaler* dealer keep a complete record of all such gasoline sold by him, which records shall give the date of each such sale, the number of gallons sold, *amount of tax paid,* the name of the person to whom sold, and the sale price.

(5) The department of revenue shall audit the application and make such other investigation as it deems necessary to determine whether it constitutes a proper claim. When the department of revenue is satisfied that a refund is proper it shall authorize seven-ninths of the amount of the tax paid to be refunded as other refunds are made and the amount refunded shall be deducted from current motor fuel tax receipts.

(6) When the department of revenue finds that an application for a refund contains a false or fraudulent statement or that a refund has been fraudulently obtained, the department of revenue shall refuse to grant any refunds to the person making such false or fraudulent statement or fraudulently obtaining a refund for a period of two (2) years from the date of such findings.

(7) The department of revenue may prescribe, adopt and enforce regulations relating to the administration and enforcement thereof.

(8) The refund provided herein shall be effective on motor fuel purchased July 1, 1978 and thereafter.

Section 30. KRS 138.680 is amended to read as follows:

Every licensee shall maintain complete records on all motor vehicles, by type, operating on Kentucky highways, weight and number of axles, mileage records and records of all purchases, use, and other dispositions of gasoline and special fuels. Such records, together with manifests of lading, invoices and other papers pertaining to gasoline or special fuels consumption, shall be retained for a minimum period of *five (5)* [two (2)] years; and if requested by the department shall be made available for examination by the department.

Section 31. KRS 138.695 is amended to read as follows:

(1) Every licensee subject to the tax imposed by *subsection* [subsections] (1) [and (2)] of KRS 138.660 shall be entitled to a credit for each quarterly period beginning on and after July 1, *1980*[1972], equivalent to *the amount of tax paid* [nine cents per gallon] on gasoline and [nine cents per gallon on] special fuels purchased by such licensee during such period for use in its operations, provided such gasoline and special fuels were purchased in Kentucky during the same period and the tax imposed by KRS 138.220 and KRS 138.565 has been paid. Evidence of the payment of such tax in such form as may be required by or satisfactory to the bureau shall be furnished by each such licensee claiming the credit herein allowed.

(2) The bureau shall at the close of each quarterly period, ending September 30, December 31, March 31, and June 30, compute all credits granted by the bureau during such quarter, which credits shall be except as provided in subsection (3), applied only to taxes due on the report filed for the next quarter.

(3) If the credit or credits referred to in subsections (1) and (2) would expire solely by reason of the lapse of time allowed in subsection (2), then the balance of any credit shall be refunded to the licensee, provided application therefor and all necessary information shall be filed with the bureau within sixty (60) days after the time the credit would otherwise expire as provided in subsection (2) except a credit shall not be refunded to the licensee, where, as estimated by the bureau, the cost to the bureau of making the refund would exceed the amount of the refund.

(4) In order to facilitate administration of the credits and refunds allowed herein, the bureau shall prescribe what records must be kept by the licensee or any other person and the bureau shall also prescribe the form and content of said records and any reports to be made relative thereto.

Section 32. KRS 138.715 is amended to read as follows:

(1) If any licensee neglects or refuses to make the return or pay the tax at the time provided in KRS 138.685, a penalty of 20 per cent of the tax and interest at *ten percent (10%)* [6 per cent] per annum from the date when due shall be paid on the tax.

(2) If any licensee subject to the penalty provided in subsection (1) of this section submits to the department in writing the reasons for failure to comply with KRS 138.655 to 138.725 and if the department finds the reasons sufficient evidence or justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty enacted therein to five per cent (5%) of the amount of the tax due and delinquent, provided the five per cent (5%) penalty may be reduced to one per cent (1%) if the violation is the first violation by the taxpayer within the twelve (12) months.

(3) If the penalties provided by this section are collected by proceedings in court, an additional penalty of twenty per cent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060. Whenever any licensee neglects or refuses to make and file any report for any calendar quarter as required by KRS 138.685, or files an incorrect or fraudulent report, the department shall determine after an investigation the amount of the liability which the licensee has incurred under KRS 138.655 to 138.725 for any particular quarter and assess and collect the amount of tax and penalties due.

(4) Any licensee who fails to make any report required under the provisions of KRS 138.655 to 138.725 within the time allowed may be required to pay a penalty of fifty dollars ($50) to be assessed and collected in the manner provided for the assessment and collection of taxes, or may be proceeded against in a civil action instigated by the department. In addition, such licensee may be compelled to make the required return.

(5) In any action for the collection of taxes due under KRS 138.655 to 138.725 and any penalties or interest imposed in connection therewith, an assessment by the department of the amount of tax due and the interest or penalties due to the state shall constitute prima facie evidence of the claim of the state and the burden of proof shall be on the licensee to show that the assessment was incorrect or contrary to law.

Section 33. KRS 234.310 is amended to read as follows:

As used in KRS 234.310 to 234.440, unless the context requires otherwise:

(1) "Department" means the department of revenue;

(2) "Person" includes every natural person, fiduciary, association, state, or political subdivision, or corporation. Whenever used in any clause prescribing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to corporations, the officers thereof;

(3) "Liquefied petroleum gas motor fuel" means and includes all combustible gases and liquids as described in KRS 234.100 used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semitrailer attached to or having its front end supported by such motor vehicle;

(5) "Public highways" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel, notwithstanding that they may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction;

(6) ["Liquefied petroleum gas motor fuel dealer" means any person who imports or causes to be imported into this state for resale or use, or any person making sales in this state, of liquefied petroleum gas motor fuel for resale or use in this state by a licensed liquefied petroleum gas motor fuel user-seller;

(7)] "Liquefied petroleum gas motor fuel user-seller" means any person, not licensed as a liquefied petroleum gas motor fuel *wholesaler* [dealer], who dispenses liquefied petroleum gas motor fuel into the fuel tanks of, or attached to, motor vehicles for the propulsion of such motor vehicles on the public highways, and shall include any such person who so dispenses liquefied petroleum gas motor fuel for consumption in such motor vehicles owned, leased, or operated by him.

(7) "Wholesale price" means the price charged for liquefied petroleum gas motor fuel on the last sale (commonly known as a sale to a retail service station) prior to the sale to the final consumer. In the absence of such a sale or in the case of a sale from the refinery directly to the consumer, "wholesale price"

shall be the same as the price of liquefied petroleum gas motor fuel sold to retail outlets as determined in accordance with procedure established by the department.

(8) "Wholesaler" means any person who sells liquefied petroleum gas motor fuel at the wholesale price.

Section 34. KRS 234.320 is amended to read as follows:

(1) [Except as provided in subsection (2) of this section,] An excise tax of nine *percent (9%) of the wholesale price* [cents per gallon] is hereby levied and shall be paid *to the department* by the liquefied petroleum gas motor fuel *wholesaler* [dealer to the department] on all taxable liquefied petroleum gas motor fuel delivered to the licensed liquefied petroleum gas motor fuel user-seller or withdrawn by the liquefied petroleum gas motor fuel *wholesaler* [dealer] to propel motor vehicles on the public highways, either within or without this state. [An allowance of one percent of the tax shall be made to liquefied petroleum gas motor fuel dealer to cover unaccountable losses, bad debts, and handling and reporting the tax.

(2) In the event that, on or after January 1, 1977, the federal government enacts a law whereby the federal tax on special motor fuels is reduced, by tax credits, or reduced rate, in any state which increases its own tax by the minimum specified amount, the rate in subsection (1) of this section shall automatically increase by the minimum amount required to pick up the federal credit or decrease in federal tax.

(3) However, in the event that the federal government enacts a law whereby the federal tax on gasoline is reduced and this tax reduction could be passed down as a net savings to the consumer, the provisions in subsection (2) of this section would not be operative.]

(2)[(4)] No other excise or license tax shall be levied or assessed on liquefied petroleum gas motor fuel by any political subdivision of the state, except the licenses under KRS 234.120.

(3)[(5)] No provision of KRS 234.310 to 234.440 shall in any way affect the surtax imposed on heavy equipment motor carriers under KRS 138.660.

Section 35. KRS 234.321 is amended to read as follows:

(1) The tax imposed by KRS 234.320 shall not be collected when the liquefied petroleum gas sold by the *wholesaler* [dealer] is used to propel motor vehicles on the public highways, either within or without this state, when the motor vehicles using the liquefied petroleum gas are equipped with carburetion systems approved by the department for natural resources and environmental protection.

(2) The department for natural resources and environmental protection shall establish emission standards for carburetion systems.

Section 36. KRS 234.330 is amended to read as follows:

(1) A license shall be required of each liquefied petroleum gas motor fuel *wholesaler* [dealer] and each liquefied petroleum gas motor fuel user-seller.

(2) Application for a license shall be made to the department upon forms prepared and furnished by the department. The application shall contain such information as the department deems necessary.

(3) Concurrently with the filing of an application for a license, a liquefied petroleum gas motor fuel *wholesaler* [dealer] shall file with the department a bond as required under KRS 234.340. No license shall be issued to any person unless such person has furnished a bond as provided in KRS 234.340 to secure payment of taxes, penalties and interest imposed by KRS 234.310 to 234.440. No bond shall be filed with an application for a liquefied petroleum gas motor fuel user-seller license.

(4) The application in proper form having been accepted for filing, the bond, if required, having been accepted and approved and the other conditions and requirements of this section having been complied with, the department shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the department, or if the department is of the opinion that the person who makes the application as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not for sufficient cause, the department may, after a hearing of which the applicant shall be given ten (10) days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise canceled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The department shall keep and file all applications and bonds, with an alphabetical index thereof.

Section 37. KRS 234.340 is amended to read as follows:

(1) Every liquefied petroleum gas motor fuel *wholesaler* [dealer] shall file with the department a corporate bond, cash bond or securities approved by the department in a minimum amount of five hundred dollars ($500) and in a maximum amount of four (4) months' liability for taxes imposed under KRS 234.310 to 234.440 but not to exceed fifty thousand dollars ($50,000). If, however, a liquefied petroleum gas motor fuel *wholesaler* [dealer] is bonded as provided in KRS 138.330 the department may waive the bonding requirement in this section provided a rider is attached to such bond to guarantee payment of all liquefied

petroleum gas motor fuel taxes together with all penalties and interest thereon and secure faithful compliance with the provisions of KRS 234.310 to 234.440. The applicant for a license shall be the principal obligor and this state shall be the obligee. The bond shall be conditioned upon the prompt filing of true reports and the payment by the licensee to the department of all taxes levied under KRS 234.310 to 234.440, together with all penalties and interest thereon and generally upon faithful compliance with the provisions of KRS 234.310 to 234.440.

(2) If the liability upon the bond is discharged or reduced, whether by judgment rendered, payment made, or otherwise or if in the opinion of the department any surety has become unsatisfactory or unacceptable, the department may require the licensee to file a new bond with satisfactory surety in the same form and amount, failing which the department shall forthwith cancel the license. If a new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

(3) If upon hearing, of which the licensee shall be given ten (10) days' notice in writing, the department decides that the amount of the existing bond is insufficient to insure payment to this state of the amount of the tax, penalties, and interest for which the licensee is or may become liable, the licensee shall forthwith, upon the written demand of the department, file an additional bond in the same manner and form with surety thereon approved by the department, in any amount determined by the department to be necessary, failing which the department shall forthwith cancel the license.

(4) Any surety on a bond furnished by a licensee shall be released from all liability to this state accruing on such bond after the expiration of sixty (60) days from the date upon which the surety has lodged with the department a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty-day period. The department shall, promptly on the receipt of the request, notify the licensee who furnished the bond, and unless the licensee shall, before the expiration of the sixty-day period, file with the department a new bond with surety satisfactory to the department in the amount and form hereinbefore provided, the department shall forthwith cancel the license. If the new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

Section 38. KRS 234.350 is amended to read as follows:

(1) If a licensee at any time files a false monthly report of the information required, or fails or refuses to file the monthly report or to pay the full amount of the tax or violates any other provision of KRS 234.310 to 234.440, without a showing that such failure was due to reasonable cause, the department may cancel the license and suspend the privilege of acting as a liquefied petroleum gas motor fuel *wholesaler* [dealer].

(2) Upon voluntary surrender of the license or upon receipt of a written request by a licensee, the department may cancel his license, effective sixty (60) days from the date of request, but no such license shall be canceled upon surrender or request unless the licensee has, prior to the date of cancellation, paid to this state all taxes, penalties, interest and fines that are due or have accrued, and unless the licensee has surrendered to the department his license.

(3) If upon investigation the department ascertains that any person to whom a license has been issued is no longer engaged as a liquefied petroleum gas motor fuel *wholesaler* [dealer] or a liquefied petroleum gas motor fuel user-seller, and has not been so engaged for a period of six (6) months, the department may cancel such license by giving the person sixty (60) days' notice of cancellation, mailed to his last known address in which event the license shall be surrendered to the department.

(4) Whenever a licensee ceases to engage in business within this state, he shall notify the department in writing within fifteen (15) days after discontinuance. All taxes that have accrued under KRS 234.310 to 234.440, whether or not then due, shall become due and payable concurrently with such discontinuance. The licensee shall make a report and pay all such taxes and any interest and penalties thereon, and shall surrender to the department his license.

(5) If the license is canceled by the department as provided in this section, and if the licensee has paid to this state all taxes, interest and penalties under KRS 234.310 to 234.440, the department shall cancel the bond filed by the licensee.

Section 39. KRS 234.360 is amended to read as follows:

(1) Every liquefied petroleum gas motor fuel dealer licensee shall maintain complete records of inventories, purchases, sales, use and other dispositions of liquefied petroleum gas. Such records, together with manifests of lading, invoices, correspondence, and other papers pertaining to liquefied petroleum gas motor fuel shall be retained for a minimum of *five (5)* [two (2)] years, and if requested by the department, shall be made available for examination by the department.

(2) Where storage of liquefied petroleum gas is for multiple uses, and where the number of gallons taxable of liquefied petroleum gas motor fuel is determined by the liquefied petroleum gas motor fuel *wholesaler* [dealer] and/or the liquefied petroleum gas motor fuel user-seller, based on the best estimate possible from mileage and efficiency records available, all mileage and efficiency records of such motor vehicle must be retained for a minimum period of *five (5)* [two (2)] years, and, if requested by the department, shall be made available for examination by the department.

Section 40. KRS 234.370 is amended to read as follows:

(1) Every liquefied petroleum motor fuel *wholesaler* [dealer] licensee shall file with the department, on forms prescribed by the department, a monthly tax return. The return shall be made under penalty of perjury and shall show such information as the department may require. The licensee shall file the return on or before the twenty-fifth day of the next succeeding calendar month following the month to which it relates.

(2) The monthly tax return shall be accompanied by remittance covering the tax due.

Section 41. KRS 234.380 is amended to read as follows:

Liquefied petroleum gas motor fuel *wholesalers* [dealers] using, selling, and/or delivering liquefied petroleum gas to motor vehicles, or into storage for use in motor vehicles, shall report and pay *to the department of revenue* the state tax of nine *percent (9%) of the wholesale price* [cents per gallon] on all such fuel [to the Department of Revenue]. The *wholesaler* [dealer] shall issue an invoice to the customer whenever the sale or delivery is consummated giving the invoice date, name and address of the customer, *amount of tax paid* and number of taxable gallons sold or delivered. The number of taxable gallons to be invoiced shall be determined in the following manner by the dealer:

(1) The metered gallons, if placed into a fuel tank of a motor vehicle;

(2) The metered gallons, if placed into storage, all of which is to be used or sold for use in motor vehicles;

(3) The number of gallons to be used in motor vehicles, if the storage is for multiple uses. The number of taxable gallons to be determined by the user and the *wholesaler* [dealer] based on the best estimate possible from mileage and efficiency records available;

(4) If the motor vehicle carburetor is connected to a fuel line leading from a fuel tank where another, or other motors are supplied with fuel also, then the number of gallons to be invoiced as taxable motor fuel shall be determined from mileage and fuel efficiency records.

Section 42. KRS 234.390 is amended to read as follows:

Any holder of a liquefied petroleum gas motor fuel user-seller license, using liquefied petroleum gas as a motor fuel to propel motor vehicles upon the highways may fuel his own vehicles from storage where nontaxable liquefied petroleum gas is stored provided:

(1) The state tax has been paid to the distributor or supplier of liquefied petroleum gas, who is licensed as a liquefied petroleum gas motor fuel *wholesaler* [dealer], on that portion intended for use on the highway; and further provided that

(2) The liquefied petroleum gas storage facilities meet the requirements of this chapter and regulations promulgated thereunder.

Section 43. KRS 234.420 is amended to read as follows:

(1) If any liquefied petroleum gas motor fuel *wholesaler* [dealer] neglects or refuses to make the return required by KRS 234.370 or to pay the tax at the time provided, a penalty of twenty per cent (20%) thereof and interest at *ten percent (10%)* [six per cent (6%)] per annum from the date when due shall be paid as a part of the tax. If collected by proceedings in court, an additional penalty of twenty per cent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060.

(2) If any taxpayer subject to the penalty provided in subsection (1) of this section submits in writing to the department his reasons for failure to comply with KRS 234.370, and if the department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five per cent (5%) of the amount of the tax due and delinquent, provided the five per cent (5%) penalty may be reduced to a one per cent (1%) penalty if the violation is the first violation by the taxpayer within twelve (12) months.

(3) Any liquefied petroleum gas motor fuel *wholesaler* [dealer] who fails to make any return required under KRS 234.370 within the time required shall pay a penalty of ten dollars ($10) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 234.310 to 234.440 or in a civil action initiated by the department. In addition such delinquent taxpayer may be compelled to make the required report or return.

Section 44. KRS 234.430 is amended to read as follows:

With respect to KRS 234.310 to 234.440, it is unlawful for any person to:

(1) Fail to pay the taxes due;

(2) Fail, neglect or refuse to make and file any statement required in the manner or within the time required;

(3) Make any false statement or conceal any material fact in any record, report or affidavit;

(4) Conduct any activities requiring a license without a license or after a license has been surrendered, canceled or revoked;

(5) Assign or attempt to assign a license to act as a liquefied petroleum gas motor fuel *wholesaler* [dealer];

(6) Violate any other provisions.

Section 45. KRS 177.365 is amended to read as follows:

(1) On and after July 1, 1973, one-eighteenth (1/18) of all amounts received from the imposition of the taxes provided for in KRS 138.220, 138.565, 138.660 and 234.320 shall be set aside by the *department of finance* [bureau of highways] for the construction, reconstruction and maintenance of urban roads and streets and for no other purpose.

(2) As used in this section unless the context requires otherwise "construction," "reconstruction," and "maintenance" mean the supervising, inspecting, actual building, and all expenses incidental to the construction, reconstruction, or maintenance of a road or street, including planning, locating, surveying, and mapping or preparing roadway plans; acquisition of rights-of-way, relocation of utilities, lighting and the elimination of other hazards such as roadway grade crossings, and all other items defined in the bureau of highways, design, operations, and construction manuals.

(3) "Urban roads" mean all public ways lying within the limits of the unincorporated urban place as described by the bureau of census tracts.

(4) "Streets" mean all public ways which have been designated by the incorporated city as being city streets and said streets lying within the boundaries of an incorporated city.

Section 46. KRS 177.366 is amended to read as follows:

(1) On and after July 1, 1973, the *department of finance* [bureau of highways] shall allocate to each incorporated city and "unincorporated urban place" its pro rata share of the funds set apart for construction, reconstruction, and maintenance of urban roads and streets on the basis of the ratio which the population in said incorporated cities and in "unincorporated urban places" bears to the total population in incorporated cities and in "unincorporated urban places" of the state. "Unincorporated urban places" as used here means an area outside of incorporated cities which area has a population of 2,500 or more as shown by the most recent decennial census of the United States bureau of the census, and all populations shall be determined by the most recent decennial census of the United States.

(2) Any area which becomes incorporated after December 31, 1970, shall not be eligible to participate in the municipal aid program until the beginning of the second fiscal year following its incorporation and population certification. It shall be the responsibility of the newly incorporated area to provide the *department of finance* [bureau of highways] with documentation from the United States bureau of census showing the population of the newly incorporated area as it existed at the time of the last decennial census.

(3) In the event the newly incorporated area cannot obtain a population count from the bureau of census, it shall not be eligible to participate in the municipal aid program until the next decennial census.

(4) If an incorporated city, whose incorporation took place prior to December 31, 1970, annexes additional area, the population of the annexed area will not be counted in the allocation of municipal aid funds until the beginning of the second fiscal year following annexation and population certification.

(5) It shall be the responsibility of the incorporated city to provide the *department of finance* [bureau of highways] with documentation from the United States bureau of census showing the population for the annexed area as it existed at the time of the last decennial census.

(6) In the event the incorporated area cannot obtain a population count from the bureau of census, the annexed area's population will not be eligible to be counted in the distribution of the municipal aid fund. However, the streets included in the annexed areas will be eligible to receive work through this program.

(7) Apportionments as required by the provisions of this section shall be made on the basis of revenue estimates supplied by the department of revenue and shall be adjusted quarterly in accordance with the most recent revision of the estimates by the department of revenue.

SECTION 1. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) On and after the fiscal year beginning July 1, 1980 and each fiscal year thereafter, the department of finance shall pay to each incorporated city and county containing an unincorporated urban place its pro rata share of any funds appropriated and any unexpended balance of funds appropriated for construction, reconstruction, and maintenance of urban roads and streets. During each fiscal year, the department of finance shall make quarterly payments to each such city and county of the funds set aside and allocated pursuant to Sections 1 and 2 of this Act.

(2) The expenditure of any money received by the city or county pursuant to the provisions of subsection (1) of this section shall be made solely for the purpose of construction, reconstruction, and maintenance of urban roads and streets set forth in this Act.

(3) Any city or county which has received any money pursuant to the provisions of subsection (1) of this section shall retain all records of the expenditure of such money for a period of five (5) years and said records shall be subject to audit by the department of finance for said period of time in order to determine the proper expenditure of said money for the purposes required by this Act.

Section 48. KRS 179.410 is amended to read as follows:

[(1)] The *department of finance* [bureau of highways] shall allocate the sum appropriated by the general assembly [or, after July 1, 1976] the funds arising under the provisions of KRS 177.320(2), for the construction, reconstruction, improvement, and maintenance of county roads and bridges in accordance with the provisions of KRS 177.360.

[(2) The bureau of highways, at the close of each fiscal year or as soon thereafter as practicable, shall furnish to the fiscal courts of the several counties a statement showing the total amount of all disbursements, the unliquidated and unencumbered balances of the funds allocated to the respective counties for that fiscal year.]

SECTION 49. A NEW SECTION OF KRS CHAPTER 179 IS CREATED TO READ AS FOLLOWS:

(1) On and after the fiscal year beginning July 1, 1980 and each fiscal year thereafter, the department of finance shall pay to each county its pro rata of any funds appropriated and any unexpended balance of funds appropriated for construction, reconstruction, improvement, and maintenance of county roads and bridges. During each fiscal year, the department of finance shall make quarterly payments to each such county of the funds allocated pursuant to Section 4 of this Act.

(2) The expenditure of any money received by the county pursuant to the provisions of subsection (1) of this section shall be made solely for the purpose of construction, reconstruction, improvement, and maintenance of county roads and bridges.

(3) Any county which has received any money pursuant to the provisions of subsection (1) of this section shall retain all records of the expenditure of such money for a period of five (5) years and said records shall be subject to audit by the department of finance for said period of time in order to determine the proper expenditure of said money for the purpose required by this Act.

Section 50. The following KRS sections are repealed:

138.250 Refiners' and importers' reports — Deduction for evaporation, shrinkage and unaccountable losses — Measurement of terminal storage tanks.

138.260 Transportation companies' reports.

138.270 Computation of tax.

177.367 Selection and construction of projects to be funded.

177.368 Bureau to furnish annual report to participating cities and unincorporated urban places — Emergency account.

179.420 Use of state money appropriated to counties — Joint plans.

179.430 Department of highways to direct expenditures — Prescribe rules.

The Committee on Health and Welfare reported **HB 624, SCR 43, SB 205,** and **HB 791** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 624, AN ACT relating to amygdalin (laetrile).

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Amygdalin (laetrile) is not a drug or a controlled substance under Kentucky statutes governing the use, manufacture, or distribution of drugs and controlled substances within the state. A physician may prescribe amygdalin (laetrile) pursuant to this Act if the patient so requests on a written informed request form and the physician has determined the patient to be terminally ill.

SECTION 2. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Amygdalin (laetrile) shall only be available to a patient by prescription from his doctor and only after the patient affirms his desire for treatment using this substance by signing a written informed request form and the physician has determined the patient to be terminally ill.

SECTION 3. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Nothing in this Act requires any physician, pharmacist, pharmacy, or manufacturer or distributor to manufacture, sell or distribute amygdalin (laetrile), and nothing in this Act requires any physician to prescribe amygdalin (laetrile) for any patient.

SECTION 4. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

A physician may prescribe or administer amygdalin (laetrile) in lieu of or in addition to customary or accepted modes of therapy in the treatment of any malignancy, disease, illness or physical condition of a patient who has signed a written informed request and who has been determined by the physician to be terminally ill.

SECTION 5. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

"Written informed request" is a form which shall be prepared and distributed by the state board of medical licensure and shall be in substance as follows:

WRITTEN INFORMED REQUEST FOR PRESCRIPTION OF AMYGDALIN (Laetrile) FOR MEDICAL TREATMENT AND RELEASE OF PHYSICIAN FROM LIABILITY

Patient's Name ....

Address ....

Age .... *Sex* ....

Name and Address of prescribing physician:

....

....

Malignancy, disease, illness or physical condition diagnosed for medical treatment by amygdalin (laetrile):

....

....

My physician has explained to me:

(a) That the manufacture and distribution of amygdalin (laetrile) has been banned by the Federal Food and Drug Administration.

(b) That the American Cancer Society, the American Medical Association, nor the Kentucky Medical Association recommend use of amygdalin (laetrile) in the treatment of any malignancy, disease, illness or physical condition.

(c) That I am terminally ill and there are alternative recognized treatments for the malignancy, disease, illness or physical condition from which I suffer which he has offered to provide for me including: (here describe) ....

....

That notwithstanding the foregoing, I hereby request prescription and use of amygdalin (laetrile) in the medical treatment of the malignancy, disease, illness or physical condition from which I suffer.

I hereby release the physician from any and all liability due to any deleterious consequences that may be directly attributable to the use of amygdalin (laetrile).

....

Patient or person signing for patient

ATTEST:

....

Prescribing physician

SECTION 6. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

A copy of each executed written informed request shall be forwarded by the physician within three (3) days of execution to the state board of health for filing.

SECTION 7. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

(1) Amygdalin (laetrile) may be manufactured in this state subject to licensing and regulation by the department for human resources. The secretary of the department shall adopt regulations which prescribe minimum standards for manufacturers in preparing, compounding, processing, and packaging the substance. The secretary shall establish standards of purity and shall make periodic tests and inspections of both the facilities for manufacture and samples of the substance to ascertain the purity, quality and identity of the substance and to determine that the substance meets the standards so established.

(2) The department for human resources shall make no rule or regulation which would prohibit the use of amygdalin (laetrile) in any hospital, ambulatory outpatient surgical center or health care facility licensed by it.

SECTION 8. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

Amygdalin (laetrile) manufactured in this state shall not be sold in interstate commerce. Violation of this prohibition is cause for immediate revocation of the license to manufacture, sell, or distribute amygdalin (laetrile). This does not preclude other legal action permitted under state and federal criminal statutes.

SECTION 9. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A physician shall not be subjected to disciplinary action by the state board of health for prescribing or administering amygdalin (laetrile) to a patient under his care as an adjunct to recognized, customary or accepted modes of therapy in the treatment of any malignancy, disease, illness or physical

condition, when the patient has signed a written informed request form and the physician has determined the patient to be terminally ill.

(2) A physician shall not be held liable for malpractice or negligence if it is determined that a patient died from lack of customary or accepted modes of therapy, including but not limited to surgery, chemotherapy, and radiation, when the patient elected to use amygdalin (laetrile) as the sole treatment and signed a written informed request form for this substance.

(3) A physician shall not be held liable for malpractice or negligence if it is determined that a patient's medical condition deteriorated from lack of customary or accepted modes of therapy including but not limited to surgery, chemotherapy, and radiation; when the patient elected to use amygdalin (laetrile) as the sole treatment and signed a written informed request form for this substance.

SECTION 10. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

The Kentucky board of pharmacy shall make no rule or regulation which would prohibit the sale and dispensing of amygdalin (laetrile) by a duly licensed pharmacist.

SECTION 11. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) When amygdalin (laetrile) is prescribed or administered by a physician holding a regular license for the practice of medicine in the state of Kentucky and the patient has signed a written informed request form, except as provided in subsection (2) of this section, a hospital or other health care facility shall not restrict or forbid the use of amygdalin (laetrile) in the treatment of any malignancy, disease, illness or physical condition.

(2) If the federal government states that it will withdraw all federal funds from a health care facility for allowing amygdalin (laetrile) to be used within the facility, and if providing or allowing its use within the facility would jeopardize the receipt of federal funds for reimbursement for medicine or medicaid for all persons within the facility, or any construction funds provided by the federal government under the Hill-Burton hospital construction program or under Title XVI of the Public Health Services Act, the hospital or other health care facility may, notwithstanding the provisions of subsection (1) of this section, prohibit the use of amygdalin (laetrile) within its facility.

SECTION 12. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Nothing in this Act shall be construed as constituting an endorsement of amygdalin (laetrile) for the treatment of any malignancy, disease, illness, or physical condition, and nothing in this Act shall be construed as preventing a physician from prescribing amygdalin (laetrile) as a dietary supplement to a patient not suffering from any known malignancy, disease, illness, or physical condition upon execution of said written informed request.

SECTION 13. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Any person who manufactures, distributes, sells, or prescribes amygdalin (laetrile) in violation of the standards established by the secretary of the department for human resources shall be punished by a fine of not less than five hundred dollars ($500) and not more than two thousand dollars ($2,000), or by imprisonment in the county jail for a period not to exceed six (6) months, or both. Each day of violation shall constitute a separate offense.

SECTION 14. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Nothing herein shall be interpreted as an attempt to relieve physicians of liability for negligence or malpractice in the treatment of their patients under the standards established by KRS 311.595.

SCR 43, A CONCURRENT RESOLUTION urging the President of the United States and the United States Congress not to reduce funding to child care centers participating in the Child Care Food Program.

WHEREAS, the Child Care Food Program provides nutritious meals to preschool and school-aged children in non-profit child care centers; and

WHEREAS, good nutrition is an essential and necessary ingredient in the development of children's capacities to think and learn; and

WHEREAS, the children participating in this program are typically from families with limited resources; and

WHEREAS, to reduce or eliminate funding for the Child Care Food Program would have a negative effect on the health, growth, and development of low income families throughout the Commonwealth; and

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Senate of the Kentucky General Assembly urges the President of the United States and the United States Congress not to reduce funding to child care centers participating in the Child Care Food Program.

Section 2. That the Clerk of the Senate be, and is hereby, directed to transmit copies of this resolution to the President of the United States and all members of the Kentucky Congressional Delegation.

SB 205, AN ACT relating to the medical assistance program and third party liability for hospital and medical services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 205.510 is amended to read as follows:

As used in this chapter as it pertains to medical assistance unless the context clearly requires a different meaning:

(1) "Council" means the advisory council for medical assistance;

(2) "Dentist" means a person authorized to practice dentistry under laws of the Commonwealth;

(3) "Medical care" as used in this chapter means essential medical, surgical, dental, optometric, podiatric, and nursing services, in the home, office, clinic, or other suitable places, which are provided or prescribed by physicians, optometrists, podiatrists or dentists licensed to render such service, including drugs and medical supplies, appliances, laboratory, diagnostic and therapeutic services, nursing home and convalescent care, hospital care as defined in KRS 205.560(1)(a), and such other essential medical services and supplies as may be prescribed by such persons; but not including abortions, or induced miscarriages or premature births, unless in the opinion of a physician such procedures are necessary for the preservation of the life of the woman seeking such treatment or except in induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or her unborn child. However, this section does not authorize optometrists to perform any services other than those authorized by KRS chapter 320;

(4) "Nurses" means persons authorized to practice professional nursing under the laws of the Commonwealth;

(5) "Nursing home" means a facility which provides routine medical care in which physicians regularly visit patients, which provide nursing services and procedures employed in caring for the sick which require training, judgment, technical knowledge, and skills beyond that which the untrained person possesses, and which maintains complete records on patient care, and which is licensed pursuant to the provisions of KRS 216.405;

(6) "Optometrist" means a person authorized to practice optometry under the laws of the Commonwealth;

(7) "Pharmacist" means a person authorized to practice pharmacy under the laws of the Commonwealth;

(8) "Physician" means a person authorized to practice medicine or osteopathy under the laws of the Commonwealth;

(9) "Podiatrist" means a person authorized to practice podiatry under the laws of the Commonwealth;

(10) "Primary care center" means a facility which provides comprehensive medical care with emphasis on the prevention of disease and the maintenance of the patients' health as opposed to the treatment of disease;

(11) "Public assistance recipient" means a person who has been certified by the bureau for social insurance of the department for human resources as being eligible for, and a recipient of, public assistance under the provisions of this chapter;

(12) "Other persons eligible for medical assistance" may include the categorically needy excluded from money payment status by state requirements and classifications of medically needy individuals as permitted by federal laws and regulations and as prescribed by regulation of the secretary for human resources or his designee;

(13) "Vendor payment" means a payment for medical care which is paid by the department for human resources directly to the authorized person or institution which rendered medical care to an eligible recipient.

(14) "Third party" means an individual, institution, corporation, company, insurance company, personal representative, administrator, executor, trustee, or public or private agency, including but not limited to a reparation obligor and the assigned claims bureau under the motor vehicle reparation act, who is or may be liable to pay all or part of the medical cost of injury, disease, or disability of an applicant or recipient of medical assistance provided under title XIX of the social security act.

Section 2. KRS 205.520 is amended to read as follows:

(1) KRS 205.510 to 205.610, *and* 205.991 [and 211.106] shall be known as the "medical assistance act."

(2) The general assembly of the commonwealth of Kentucky recognizes and declares that it is an essential function, duty and responsibility of the state government to provide medical care to its indigent citizenry; and it is the purpose of KRS 205.510 to 205.610, *and* 205.991 [and 211.106] to provide such care.

(3) Further, it is the policy of the commonwealth to take advantage of all federal funds that may be available for medical assistance. To qualify for federal funds the secretary of the department for human resources may by regulation comply with any requirement that may be imposed or opportunity that may be presented by federal law. Nothing in KRS 205.510 to 205.610, *and* 205.991 [or KRS 211.106] is intended to limit the secretary's power in this respect.

(4) It is the intention of the general assembly to comply with the provisions of title XIX of the social security act which require that the Kentucky medical assistance program recover from third parties which have a legal liability to pay for care and services paid by the Kentucky medical assistance program.

(5) The Kentucky medical assistance program shall be the payor of last resort and its right to recover under this Act shall be superior to any right of reimbursement, subrogation, or indemnity of any liable third party.

SECTION 3. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

Prior to billing the Kentucky medical assistance program, all participating vendors shall submit billings for medical services first to a third party when such vendor has knowledge that such third party may be liable for payment of the services.

SECTION 4. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) An applicant or recipient shall be deemed to have made to the department an assignment of his rights to third party payments to the extent of medical assistance paid on behalf of the recipient under title XIX of the social security act. The applicant or recipient shall be informed in writing by the department of such assignment.

(2) The department shall have the right of recovery which a recipient may have for the cost of hospitalization, pharmaceutical services, physician services, nursing services, and other medical services not to exceed the amount of funds expended by the department for such care and treatment of the recipient under the provisions of title XIX of the social security act.

(a) If a payment for medical assistance is made, the department, to enforce its right, may:

1. Intervene or join in an action or proceeding brought by the injured, diseased, or disabled person, his guardian, personal representative, estate, dependents, or survivors against a third party who may be liable for the injury, disease, or disability, or against contractors, public or private, who may be liable to pay or provide medical care and services rendered to an injured, diseased, or disabled recipient, in state or federal court; or

2. Institute and prosecute legal proceedings against a third party who may be liable for the injury, disease, or disability, or against contractors, public or private, who may be liable to pay or provide medical care and services rendered to an injured, diseased, or disabled recipient, in state or federal court, either alone or in conjunction with the injured, diseased, or disabled person, his guardian, personal representative, estate, dependents, or survivors; or

3. Institute the proceedings in its own name or in the name of the injured, diseased, or disabled person, his guardian, personal representative, estate, dependents, or survivors.

(b) The injured, diseased, or disabled person may proceed in his own name, collecting costs without the necessity of joining the department or the Commonwealth as a named party, provided the injured, diseased, or disabled person shall notify the department of the action or proceeding entered into upon commencement of the action or proceeding. The injured, diseased, or disabled person must notify the department of any settlement or judgment of his or her claim.

(c) In the case of an applicant for or recipient of medical assistance whose eligibility is based on deprivation of parental care or support due to absence of a parent from the home, the department may:

1. Initiate a civil action or other legal proceedings to secure repayment of medical assistance expenditures for which the absent parent is liable; and

2. Provide for the payment of reasonable administrative costs incurred by such other state or county agency requested by the department to assist in the enforcement of securing repayment from the absent parent.

SECTION 5. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 3, IS CREATED TO READ AS FOLLOWS:

A certificate of authority shall not be issued to an insurer who has a provision in its insurance contract which has the effect of limiting or excluding its obligation to pay on a claim because the insured is eligible for or is provided medical assistance under the provisions of title XIX of the social security act. Any certificate of authority issued to an insurer shall be revoked if such insurer has a provision in any insurance contract which has the effect of limiting or excluding its obligation to pay on a claim because the insured is eligible for or is provided medical assistance under the provisions of title XIX of the social security act. General exclusion or reduction provisions relating to benefits paid by or eligibility under governmental programs, whether state or federal, shall not be construed to apply to medicaid.

SECTION 6. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) The assignment provided for by this Act shall be binding and enforceable after the liable third parties have actual notice of such assignment. The third party shall be discharged from liability under such assignment when it makes payment to a vendor for medical care and services rendered on behalf of a recipient.

(2) Any amount recovered from a liable third party through the efforts of an attorney representing a recipient and for which the department has the right to recover, said amount shall be paid to the department.

(3) The attorney may receive a percentage not to exceed twenty-five percent (25%) of the amount paid to the department that has been recovered in reimbursement from the liable third party. The amount paid to the department shall be excluded by the attorney when computing the total amount recovered on behalf of the client and in final computation of the client's bill.

SECTION 7. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

An applicant or recipient of medical assistance shall be liable to the Kentucky medical assistance program for any payment received from a liable third party to the extent of medical assistance paid on the recipients' behalf under title XIX of the social security act.

HB 791, AN ACT relating to conditional release.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 439.310 is amended to read as follows:

The commissioner, with the approval of the secretary and the governor, shall appoint a person charged with the administration of probation and parole laws, who, with the approval of the commissioner, shall appoint a number of probation *and*[,] parole [and conditional release] officers and other employees sufficient to administer the provisions of KRS 439.250 to 439.560; but no employee shall be appointed except in the manner hereinafter provided. The person charged with the administration of probation and parole laws shall have attained at least a bachelor's degree from an accredited college and in addition thereto shall be a person with training and experience in probation, parole or other related form of welfare work.

Section 2. KRS 439.330 is amended to read as follows:

(1) The board shall:

(a) Study the case histories of persons eligible for parole, and deliberate on that record;

(b) Conduct hearings on the desirability of granting parole;

(c) Impose upon the parolee or conditional releasee such conditions as it sees fit;

(d) Order the granting of parole;

(e) Issue warrants for persons charged with violations of parole [and conditional release] and conduct hearings on such charges, subject to the provisions of KRS 439.341;

(f) Determine the period of supervision for parolees [and conditional releasees], which period may be subject to extension or reduction after recommendation of the bureau is received and considered;

(g) Grant final discharge to parolees [and conditional releasees].

(2) The board shall adopt an official seal of which the courts shall take judicial notice.

(3) The orders of the board shall not be reviewable except as to compliance with the terms of KRS 439.250 to 439.560.

(4) The board shall keep a record of its acts, shall notify each institution of its decisions relating to the persons who are or have been confined therein, and shall submit to the governor a report with statistical and other data of its work at the close of each fiscal year.

Section 3. KRS 439.341 is amended to read as follows:

Preliminary revocation hearings of *probation and* parole *violators* [and conditional release] shall be conducted by [two (2)] hearing officers. These hearing officers shall be attorneys, appointed by the board and admitted to practice in Kentucky, who shall perform the aforementioned duties and any others assigned by the board.

Section 4. KRS 439.430 is amended to read as follows:

(1) Any parole[, probation or conditional release] officer having reason to believe that a parolee [or conditional releasee] has violated the terms of his release may arrest such person without a warrant or may deputize any other peace officer to do so by giving him a written statement setting forth that the parolee [or conditional releasee], in the judgment of the [probation,] parole [or conditional release] officer, has violated the conditions of his release. Such written statement delivered with the parolee [or conditional releasee] by the arresting officer to the official in charge of the station house, jail, workhouse or other place of detention, shall be sufficient warrant for the detention of the parolee [or conditional releasee]. The [probation,] parole [or conditional release] officer who arrests or causes the arrest of the prisoner shall notify the director at once of the arrest and detention of the parolee [or conditional releasee], and shall submit in writing a report showing in what manner there has been a violation of the conditions of release. Thereupon, if the director believes the parolee [or conditional releasee] should be returned to prison, the director at once shall submit his recommendations to the board, and, if the board approves, it shall issue a warrant upon which the releasee shall be returned to prison, otherwise the prisoner shall be released upon the order of the director.

(2) A written statement, approved by the director, by a parole [or conditional release] officer, and filed with the board setting forth that the parolee [or conditional releasee] in the judgment of such officer has violated the condition of his release, shall be sufficient cause for the board, in its discretion, to issue a warrant for the arrest of the parolee [or conditional releasee], or for his return to prison.

(3) A prisoner for whose return a warrant has been issued by the board, shall be deemed a fugitive from justice or to have fled from justice. If it shall appear he has violated the provisions of his release, then the time from the issuing of such warrant to the date of his arrest shall not be counted as any part of the time to be served in determining his final discharge eligibility date from parole if the board in its discretion so orders.

(4) The parole board may at its discretion issue a warrant for any parolee [or conditional releasee] when in their judgment the condition of release has been violated.

Section 5. KRS 439.470 is amended to read as follows:

(1) The commissioner shall have the power and duty to make rules for the conduct of persons heretofore or hereafter placed on probation *or*[,] parole, [or conditional release,] except the commissioner shall not make any rule which conflicts with the conditions of probation imposed by the court or conditions of release imposed by the board.

(2) The commissioner shall:

(a) Be responsible for such reports of investigation and supervision as may be requested by the board or the courts;

(b) Divide the state into districts and assign probation *and*[,] parole [and conditional release] officers to serve in the various districts and courts;

(c) Direct the work of such officers and other employees assigned to him;

(d) Formulate methods of investigation, supervision, record keeping and reports;

(e) Conduct training courses for the staff;

(f) Negotiate, with the approval of the commissioner, with public or private groups or institutions for further training of employees and authorize the expenditure of funds therefor when needed;

(g) Develop policies on probation and parole work in the light of other welfare administration policies.

Section 6. KRS 439.480 is amended to read as follows:

Probation *and*[,] parole [and conditional release] officers shall:

(1) Investigate all cases referred to them for investigation by the director or by any court in which they are authorized to serve;

(2) Furnish to each person released under their supervision a written statement of the conditions of probation *or*[,] parole [or conditional release] and instruct him regarding same;

(3) Keep informed concerning the conduct and conditions of each person under their supervision and use all suitable methods to aid and encourage such persons to bring about improvement in their conduct and condition;

(4) Keep detailed records of their work;

(5) Collect and disburse all moneys in accordance with the orders of the commissioner, board or court;

(6) Keep accurate and complete accounts of all moneys received and disbursed in accordance with orders of the commissioner, board or court, and give receipts therefor;

(7) Make such reports in writing as the court or commissioner may require;

(8) Coordinate their work with that of other social agencies and file identifying information regarding their cases with any social service index or exchange operation in the area to which they are assigned.

Section 7. KRS 439.500 is amended to read as follows:

(1) No probation *or*[,] parole [or conditional release] officer of the bureau shall:

(a) Use his office to influence elections, or to influence the political action of any person;

(b) Serve as a member of the campaign committee of any political party;

(c) Interfere with or participate in the preparation for any election, or the conduct thereof at the polling place, or with the election officers while they are performing their duties;

(d) Be in any manner concerned in demanding, soliciting or receiving any assessments, subscriptions or contributions, whether voluntary or involuntary, for any political party or candidate.

(2) It shall be unlawful for any person to be in any way concerned with demanding or soliciting assessments, subscriptions or contributions for any political party or candidate from any member or employe of the bureau.

Section 8. KRS 439.510 is amended to read as follows:

All information obtained in the discharge of official duty by any probation *or*[,] parole [or conditional release] officer shall be privileged and shall not be received as evidence in any court. Such information shall not be disclosed directly or indirectly to any person other than the court, board, bureau or others entitled under KRS 439.250 to 439.560 to receive such information, unless otherwise ordered by such court, board or bureau.

Section 9. KRS 439.540 is amended to read as follows:

The bureau, with the written approval of the governor may:

(1) Enter into an agreement with the governing body of any county or city of this state for their payment of part of the costs of the performance of services within said county or city by the bureau relating to any parole *or*[,] probation [or conditional release];

(2) Accept from the United States of America or any of its agencies such advisory services, funds, equipment and supplies as may be available to this state for any of the purposes contemplated by KRS 439.250 to 439.560;

(3) Enter into such contracts and agreements with the United States or any of its agencies, or with any independent or private agency as may be necessary, proper and convenient, not contrary to the laws of this state.

Section 10. KRS 439.555 is amended to read as follows:

[(1)] Any prisoner having served the term for which he has been sentenced for a crime he committed after June 16, 1972, less good time deduction, if any has been accumulated, shall be released *by*[, under] conditional release [and guidance of the bureau of corrections for the period of accumulated good time and subject to the provisions of law and bureau of corrections regulations relating to supervision of the released prisoners.

(2) A written statement, approved by the commissioner of corrections or a person designated by him, by a parole or conditional release supervision officer, and filed with the board setting forth that the conditional releasee, in the judgment of such officer has violated the condition of his release, shall be sufficient cause for the board, at its discretion, or on its own motion, to issue a warrant for the arrest of the mandatory releasee, or for his return to the correctional institution from which he was released.

(3) The period of time spent in mandatory supervision status prior to the date of issuance of a warrant for violating the regulations governing mandatory release supervision, or prior to the date of arrest on a new felony offense for which the releasee subsequently is convicted and committed to a correctional institution, shall count as time served on the sentence on which the prisoner was mandatorily released under supervision.

(4) A prisoner for whose return a warrant has been issued by the board shall be deemed a fugitive from justice or to have fled from justice and he shall be subject to return from any other state by extradition if such proceedings are necessary].

Section 11. KRS 439.400, Things to be supplied to prisoner placed on probation or conditional release — Advancement for temporary maintenance, is repealed.

Calendar

HB 955, HB 918, HB 875, HB 592, HB 767, HB 863, SB 1, HB 298, HB 815, and **HB 489** taken from the Calendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **SB 38, SB 80, SB 200, SB 208, SB 214, SB 266, SB 267, SB 268, SB 227, SB 284, SB 285, SB 287, SB 292, SB 293, SB 300, SB 308, SB 362, SB 386, HB 48, HB 353,** and **HB 394.**

Orders of the Day

HB 337 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holloway moved that **HB 337** be passed.

Representative Gray moved that **HB 337** be laid on the table.

On the roll call the vote was yeas 33-Barrows, Blair, Blandford, Boswell, Bronger, Brown, Burnette, Cawood, Clark, Curd, Cyrus, Donnermeyer, Farrow, Gray, Head, Hines, Isler, Kidd, LeMaster, Little, McKinney, Moberly, Nett, Petty, Richards, Romines, Stone, Van Horn, Weinberg, White, Wilborn, Williams, Yates. Nays 47-Adams, Allen, Bendl, Bennett, Blythe, Bruce, Caldwell, Craddock, Crupper, Davenport, DeFalaise, DeMarcus, Ellington, Freibert, Guenthner, Haering, Hancock, Heleringer, Holbrook, Holloway, Jones, Layman, Lewis, List, Lundergan, May, McBee, McNutt, Noe, O'Brien, Patrick, Pearman, Plummer, Rapier, Reynolds, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stumbo, Thomas, Thomason, Tobin, Turner.

The motion that **HB 337** be laid on the table was rejected.

On the roll call the vote was yeas 43-Adams, Allen, Arnold, Bendl, Blythe, Bruce, Craddock, Crupper, Davenport, Dawahare, DeMarcus, Ellington, Freibert, Guenthner, Haering, Hancock, Heleringer, Holbrook, Holloway, Johnson, Jones, Layman, Lewis, Lundergan, May, McNutt, O'Brien, Overstreet, Patrick, Pearman, Plummer, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Thomas, Thomason, Tobin, Turner. Nays 42-Barrows, Bennett, Blair, Blandford, Boswell, Bronger, Brown, Burnette, Caldwell, Cawood, Clark, Curd, Cyrus, Donnermeyer, Farrow, Gray, Head, Hines, Isler, Kenton, Kidd, LeMaster, List, Little, McBee, McKinney, Moberly, Nett, Noe, Petty, Richards, Romines, Smith, Stone, Stumbo, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates.

HB 337 was passed and the title agreed to.

Representative Holloway moved that the vote by which **HB 337** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 469 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curd moved that **HB 469** be passed.

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 469 was passed and the title agreed to.

Representative Curd moved that the vote by which **HB 469** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 540 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved that **HB 540** be passed.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Ellington, Farrow, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Romines, Sale, Schmidt, Smith, Stumbo, Thomas, Thomason, Turner, Wilborn, Williams, Worthington, Wright, Yates, Nays 4-Riner, Tobin, Van Horn, Weinberg.

HB 540 was passed and the title agreed to.

Representative List moved that the vote by which **HB 540** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 581, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Little moved the adoption of the Committee Amendment No. 1 to **HB 581.** Agreed.

Representative Little moved that **HB 581,** as amended, be passed.

On the roll call the vote was yeas 96-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 581, as amended, was passed and the title agreed to.

Representative Little moved that the vote by which **HB 581,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Recess

Representative B. Richardson moved that the House recess until 3:30 p.m. for Committee meetings.

On the roll call the vote was yeas 42-Adams, Arnold, Barrows, Bendl, Blandford, Blythe, Boswell, Burch, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Freibert, Hancock, Isler, Jones, Kenton, Kidd, Layman, LeMaster, List, Lundergan, May, McBee, Morris, O'Brien, Pearman, Rapier, Rattliff, Richards, B. Richardson, Sale, Schmidt, Thomason, Tobin, White, Wilborn, Worthington, Yates. Nays 38-Allen, Bennett, Blair, Brinkley, Bronger, Burnette, Caldwell, Cawood, Davenport, Dawahare, DeFalaise, Deskins, Farrow, Gray, Guenthner, Haering, Head, Heleringer, Holbrook, Johnson, Lewis, Mann, Moberly, Noe, Overstreet, Patrick, Petty, Plummer, Priddy, Riner, Smith, Stone, Stumbo, Thomas, Turner, Van Horn, Weinberg, Wright.

At the appointed hour, the Speaker Pro Tempore assumed the Chair and called the House to order.

Orders of the Day (continued)

The Speaker resumed the Chair.

SB 142, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **SB 142** be passed.

Representative Nett moved that **SB 142** be referred to the Committee on Appropriations and Revenue.

On the roll call the vote was yeas 14-Adams, Bennett, Blythe, Clark, Clarke, Freibert, Guenthner, Hancock, Lewis, McBee, Nett, Robinson, Schmidt, Thomason. Nays 55-Arnold, Bendl, Blair, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Crupper, Curd, Cyrus, Davenport, DeFalaise, Deskins, Dunn, Ellington, Farrow, Fryman, Gray, Head, Heleringer, Holbrook, Isler, Johnson, Kenton, Layman, List, Little, McKinney, McNutt, Overstreet, Patrick, Pearman, Plummer, Rapier, Rattliff, Reynolds, B. Richardson, P. Richardson, Riner, Sale, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, White, Williams, Wright, Yates.

The motion that **SB 142** be referred to the Committee on Appropriations and Revenue was rejected.

Representative Nett moved that **SB 142** be laid on the Clerk's desk.

On the roll call the vote was yeas 17-Allen, Bennett, Blair, Blythe, Clark, Clarke, Craddock, Guenthener, Hancock, Lewis, Morris, Nett, Petty, Richards, Robinson, Schmidt, Thomason. Nays 51-Adams, Bendl, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Crupper, Curd, Cyrus, Davenport, Donnermeyer, Dunn, Farrow, Fryman, Gray, Head, Heleringer, Holbrook, Isler, Johnson, Kenton, List, Little, May, McBee, McKinney, McNutt, Overstreet, Patrick, Pearman, Plummer, Rapier, Rattliff, Reynolds, B. Richardson, P. Richardson, Riner, Romines, Sale, Stone, Tobin, Turner, Van Horn, White, Williams, Wright, Yates.

The motion that **SB 142** be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 76-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Crupper, Curd, Cyrus, Davenport, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, LeMaster, List, Little, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 7-Allen, Blythe, Clarke, Layman, Patrick, Robinson, Schmidt.

SB 142 was passed and the title agreed to.

Representative Cyrus moved that the vote by which **SB 142** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 53, as amended by Second Committee Substitute, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Floor Amendment No. 2 to the Second Committee Substitute to **HB 53.** Agreed.

Representative Priddy moved that **HB 53,** by way of Second Committee Substitute as amended, be passed.

On the roll call the vote was yeas 91-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown,. Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 53, by way of Second Committee Substitute as amended, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 53,** by way of Second Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 66, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Robinson moved the adoption of the Committee Substitute to **HB 66.** Agreed.

Representative Robinson moved that **HB 66,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 93-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Ellington.

HB 66, by way of Committee Substitute, was passed and the title agreed to.

Representative Robinson moved that the vote by which **HB 66,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 288, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Overstreet moved the adoption of the Committee Amendment No. 1 to **HB 288.**

On the roll call the vote was yeas 55-Bennett, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Curd, Cyrus, Davenport, Dawahare, Deskins, Dunn, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Holbrook, Kenton, Kidd, Layman, List, Little, May, McBee, McKinney, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Priddy, Rattliff, Reynolds, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Weinberg, White, Williams, Wright, Yates. Nays 24-Adams, Allen, Cawood, Clarke, Craddock, DeFalaise, DeMarcus, Donnermeyer, Ellington, Isler, Jones, Lewis, Mann, McNutt, Moberly, Petty, Rapier, Richards, B. Richardson, Robinson, Thomas, Van Horn, Wilborn, Worthington.

Committee Amendment No. 1 to **HB 288** was adopted.

Representative Little moved the adoption of the Floor Amendment No. 1 to **HB 288.**

On the roll call the vote was yeas 43-Bendl, Bennett, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Cawood, Clark, Curd, Cyrus, Davenport, Dawahare, Dunn, Freibert, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Kenton, Kidd, List, Little, May, McBee, McKinney, Morris, Overstreet, Pearman, Priddy, Riner, Sale, Stone, Stumbo, Thomason, Tobin, Weinberg, White, Williams, Yates. Nays 30-Adams, Allen, Barrows, Blandford, Blythe, Burnette, Clarke, Craddock, DeFalaise, DeMarcus, Donnermeyer, Ellington, Farrow, Hearing, Isler, Jones, Layman, Lewis, Mann, McNutt, Noe, Petty, Plummer, Rapier, B. Richardson, Schmidt, Turner, Van Horn, Worthington, Wright.

Floor Amendment No. 1 to **HB 288** was adopted.

Representative Little moved that **HB 288,** as amended, be passed.

Representative Donnermeyer moved that **HB 288** be laid on the Clerk's desk.

On the roll call the vote was yeas 40-Allen, Arnold, Barrows, Brinkley, Bronger, Caldwell, Clarke, Cyrus, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Guenthner, Haering, Holbrook, Isler, Johnson, Layman, List, Lundergan, Mann, McBee, Moberly, Nett, Petty, Plummer, Rapier, Rattliff, Richards, B. Richardson, Schmidt, Stumbo, Thomas, Tobin, Turner, Wilborn, Wright. Nays 43-Adams, Bennett, Blandford, Boswell, Bruce, Burch, Burnette, Cawood, Clark, Craddock, Curd, Davenport, Dawahare, Deskins, Fryman, Gray, Hancock, Heleringer, Jones, Kidd, Lewis, Little, May, McKinney, McNutt, Morris, Noe, Overstreet, Patrick, Pearman, Priddy, Reynolds, Riner, Sale, Smith, Stone, Thomason, Van Horn, Weinberg, White, Williams, Worthington, Yates.

The motion that **HB 288** be laid on the Clerk's desk was rejected.

Representative Turner moved that **HB 288** be laid on the Clerk's desk.

On the roll call the vote was yeas 71-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Burch, Cawood, Clark, Craddock, Curd, Cyrus, Davenport, DeFalaise, Donnermeyer, Ellington, Farrow, Freibert, Fryman, Gray, Head, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, B. Richardson, Riner, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington. Nays 8-Bruce, Caldwell, Clarke, DeMarcus, Guenthner, Hearing, Hancock, Patrick.

The motion that **HB 288** be laid on the Clerk's desk was adopted.

HB 478, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of the Committee Amendment No. 1 to **HB 478.** Agreed.

Representative Donnermeyer moved the adoption of the Floor Amendment No. 1 to **HB 478.** Agreed.

Representative Donnermeyer moved that **HB 478,** as amended, be passed.

On the roll call the vote was yeas 70-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Bruce, Burch, Cawood, Clark, Clarke, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Fryman, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, Lundergan, Mann, May, McBee, Moberly, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Reynolds, Richards, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 16-Caldwell, Curd, DeMarcus, Ellington, Farrow, Freibert, Gray, Haering, LeMaster, List, McKinney, McNutt, B. Richardson, Riner, Robinson, Turner.

HB 478, as amended, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 478,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 490, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Committee Substitute to **HB 490.** Agreed.

Representative B. Richardson moved that **HB 490,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Wright, Yates. Nays 1-DeMarcus.

HB 490, by way of Committee Substitute, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 490,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 683 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Smith moved that **HB 683** be passed.

On the roll call the vote was yeas 76-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Craddock, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, McNutt, Moberly, Morris, Nett, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rattliff, Reynolds, Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Yates. Nays 8-Clarke, McBee, Noe, O'Brien, B. Richardson, Thomas, Worthington, Wright.

HB 683 was passed and the title agreed to.

Representative Smith moved that the vote by which **HB 683** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 726 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved that **HB 726** be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 726 was passed and the title agreed to.

Representative Thomason moved that the vote by which **HB 726** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 741, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved the adoption of the Committee Amendment No. 1 to **HB 741.** Agreed.

Representative List moved that **HB 741** as amended, be passed.

On the roll call the vote was yeas 89-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 1-Pearman.

HB 741, as amended, was passed and the title agreed to.

Representative List moved that the vote by which **HB 741,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 78, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved the adoption of the Floor Amendment No. 1 to **HCR 78.**

On the roll call the vote was yeas 75-Adams, Allen, Arnold, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Gray, Guenthner, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, List, Little, May, McBee, McKinney, McNutt, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 3-Blair, Haering, Petty.

Floor Amendment No. 1 to **HCR 78** was adopted.

Representative Burnette moved the adoption of **HCR 78,** as amended.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, Lewis, List, Lundergan, May, McBee, McKinney, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Worthington, Wright, Yates. Nays 4-Blair, Haering, Morris, Wilborn.

HCR 78, as amended, was passed and the title agreed to.

Representative Burnette moved that the vote by which **HCR 78,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 14, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 14** be laid on the Clerk's desk.

On the roll call the vote was yeas 69-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Craddock, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, Lewis, List, Lundergan, May, McKinney, Moberly, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Schmidt, Stone, Stumbo, Thomason, Van Horn, Weinberg, Williams, Worthington, Wright, Yates. Nays 1-Morris.

The motion that **HB 14** be laid on the Clerk's desk was adopted.

HB 340 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved that **HB 340** be passed.

On the roll call the vote was yeas 58-Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Curd, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Farrow, Gray, Hancock, Head, Hines, Isler, Jones, Kenton, Kidd, List, Lundergan, May, McBee, McKinney, Nett, O'Brien, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, P. Richardson, Romines, Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Weinberg, Williams, Worthington, Wright, Yates. Nays 24-Allen, Barrows, Cawood, Clarke, DeMarcus, Deskins, Ellington, Freibert, Fryman, Guenthner, Haering, Heleringer, Holbrook, Holloway, Layman, Lewis, McNutt, Moberly, Overstreet, Riner, Robinson, Schmidt, White, Wilborn.

HB 340 was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 340** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 42 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 42** be passed.

On the roll call the vote was yeas 87-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 0.

SB 42 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 42** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 347, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved the adoption of the Committee Amendment No. 1 to **HB 347.** Agreed.

Representative Deskins moved that **HB 347,** as amended, be passed.

On the roll call the vote was yeas 87-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 0.

HB 347, as amended, was passed and the title agreed to.

Representative Deskins moved that the vote by which **HB 347,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 451 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 451** be passed.

On the roll call the vote was yeas 77-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McNutt, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Wilborn, Worthington, Wright, Yates. Nays 0.

HB 451 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 451** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 487, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of the Committee Substitute to **HB 487.** Agreed.

Representative Burch moved that **HB 487,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 40-Adams, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Cawood, Clapp, Clark, Craddock, Cyrus, Davenport, Dunn, Hancock, Heleringer, Hines, Johnson, Kidd, List, Nett, Noe, O'Brien, Patrick, Pearman, Priddy, Riner, Romines, Smith, Stumbo, Thomas, Van Horn, Weinberg, White, Williams, Yates. Nays 49-Allen, Arnold, Blair, Bruce, Burnette, Caldwell, Clarke, Curd, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Head, Holbrook, Holloway, Isler, Kenton, Layman, LeMaster, Lewis, Little, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Overstreet, Petty, Plummer, Reynolds, Richards, B. Richardson, Schmidt, Stone, Thomason, Tobin, Turner, Wilborn, Worthington, Wright.

HB 487, by way of Committee Substitute, was defeated.

HB 468, with Committee Substitute and Title Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of the Committee Substitute to **HB 468.** Agreed.

(Speaker Pro Tempore Hancock presiding.)

Representative Noe moved that **HB 468,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 1-Wilborn.

HB 468, by way of Committee Substitute, was passed.

Representative Noe moved the adoption of the Title Amendment to the Committee Substitute to **HB 468.** Agreed.

Representative Noe moved that the vote by which **HB 468,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 548, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yates moved the adoption of the Committee Amendment No. 1 to **HB 548.** Agreed.

Representative Yates moved that **HB 548,** as amended, be passed.

On the roll call the vote was yeas 69-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Burnette, Cawood, Clapp, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Gray, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, LeMaster, List, Little, May, McNutt, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, Riner, Romines, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Williams, Wright, Yates. Nays 16-Allen, Blythe, Bruce, Caldwell, DeFalaise, DeMarcus, Freibert, Hancock, Kenton, McBee, Moberly, Morris, Plummer, White, Wilborn, Worthington.

HB 548, as amended, was passed and the title agreed to.

Representative Yates moved that the vote by which **HB 548,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

The following message in regard to **HB 122** has been received from the Senate: "As requested by this Honorable Body, the Senate has appointed the following members to serve on a Conference Committee on **HB 122:** Senators Ford, Sullivan, and Hayes."

The following message in regard to **HB 150** has been received from the Senate: "As requested by this Honorable Body, the Senate has appointed the following members to serve on a Conference Committee on **HB 150:** Senators Bailey, Meyer, and Middleton.

Announcing passage of **SJR 33, SB 304, SB 339, SB 326,** and **SB 265.**

Orders of the Day (continued)

HB 708 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **HB 708** be passed.

On the roll call the vote was yeas 53-Adams, Bendl, Bennett, Blandford, Bronger, Bruce, Caldwell, Cawood, Clapp, Clarke, Craddock, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Ellington, Gray, Hancock, Head, Hines, Holbrook, Johnson, Jones, Kenton, LeMaster, Lewis, List, Little, Lundergan, Mann, McBee, McKinney, McNutt, Moberly, Noe, O'Brien, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Romines, Schmidt, Stumbo, Thomason, Van Horn, Wilborn, Williams, Worthington, Yates. Nays 36-Allen, Barrows, Blair, Blythe, Boswell, Brown, Burnette, Curd, Cyrus, DeMarcus, Dunn, Farrow, Freibert, Fryman, Guenthner, Haering, Heleringer, Holloway, Isler, Layman, May, Morris, Overstreet, Patrick, Pearman, Plummer, Rattliff, Reynolds, Riner, Smith, Stone, Thomas, Tobin, Turner, Weinberg, White.

HB 708 was passed and the title agreed to.

Representative Deskins moved that the vote by which **HB 708** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 816 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved that **HB 816** be passed.

On the roll call the vote was yeas 80-Adams, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 7-Allen, Ellington, Freibert, Fryman, Haering, Holloway, Turner.

HB 816 was passed and the title agreed to.

Representative Bruce moved that the vote by which **HB 816** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 818 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adams moved that **HB 818** be passed.

On the roll call the vote was yeas 46-Adams, Bendl, Blair, Blythe, Brinkley, Bronger, Brown, Bruce, Burch, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, Deskins, Ellington, Freibert, Gray, Guenthner, Head, Holbrook, Holloway, Jones, Kenton, List, Lundergan, May, McBee, McKinney, Pearman, Petty, Plummer, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Schmidt, Stone, Thomason, White, Wilborn. Nays 46-Allen, Arnold, Barrows, Bennett, Blandford, Boswell, Burnette, Caldwell, Clarke, Cyrus, DeMarcus, Donnermeyer, Dunn, Farrow, Fryman, Haering, Hancock, Heleringer, Isler, Johnson, Kidd, Layman, LeMaster, Lewis, Mann, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Rapier, Reynolds, Riner, Romines, Smith, Stumbo, Thomas, Tobin, Turner, Van Horn, Williams, Worthington, Wright, Yates.

HB 818 was defeated.

Representative B. Richardson moved that the vote by which **HB 818** was defeated be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Kenton presiding.

HB 838, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Brinkley moved the adoption of the Committee Amendment No. 1 to **HB 838.** Agreed.

Representative Brinkley moved that **HB 838,** as amended, be passed.

On the roll call the vote was yeas 86-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Kenton, Kidd, LeMaster, Lewis, List, Lundergan, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, P. Richardson, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington, Wright, Yates. Nays 1-Clarke.

HB 838, as amended, was passed and the title agreed to.

Representative Brinkley moved that the vote by which **HB 838,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 850 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 850** be passed.

On the roll call the vote was yeas 72-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Fryman, Gray, Hancock, Head, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Lewis, Little, Lundergan, Mann, McBee, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Reynolds, Richards, B. Richardson, P. Richardson, Romines, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Weinberg, Wilborn, Williams, Worthington, Yates. Nays 13-Allen, Farrow, Freibert, Guenthner, Heleringer, LeMaster, List, McKinney, Noe, Plummer, Smith, Van Horn, White.

HB 850 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 850** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 911 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved that **HB 911** be passed.

On the roll call the vote was yeas 84-Adams, Allen, Arnold, Barrows, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Gray, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright, Yates. Nays 2-Hancock, McBee.

HB 911 was passed and the title agreed to.

Representative Thomason moved that the vote by which **HB 911** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 66 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bronger moved that **HCR 66** be passed.

On the roll call the vote was yeas 70-Arnold, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, McBee, McNutt, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Reynolds, Richards, B. Richardson, P. Richardson, Riner, Romines, Smith, Stone, Stumbo, Thomason, Van Horn, Weinberg, White, Williams, Worthington, Wright, Yates. Nays 8-Barrows, Clarke, Freibert, Holloway, Moberly, Morris, Rattliff, Wilborn.

HCR 66 was passed and title agreed to.

Representative Bronger moved that the vote by which **HCR 66** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 170, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved the adoption of the Committee Substitute to **SB 170.** Agreed.

Representative Bruce moved that **SB 170,** by way of Committee Substitute, be passed.

Representative Schmidt moved that **SB 170** be laid on the Clerk's desk.

On the roll call the vote was yeas 19-Allen, Caldwell, Crupper, Davenport, DeMarcus, Freibert, Fryman, Guenthner, Haering, Heleringer, Holbrook, Layman, Lewis, Plummer, Rattliff, Reynolds, Schmidt, Thomas, Turner. Nays 56-Adams, Bendl, Bennett, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Cawood, Craddock, Curd, Cyrus, Dawahare, Deskins, Dunn, Ellington, Farrow, Gray, Hancock, Head, Hines, Isler, Johnson, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, McBee, McNutt, Moberly, Morris, Noe, Pearman, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Romines, Smith, Stone, Stumbo, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Yates.

The motion that **SB 170** be laid on the Clerk's desk was rejected.

On roll call the vote was yeas 70-Adams, Arnold, Barrows, Bendl, Bennett, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Clarke, Craddock, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Dunn, Farrow, Gray, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Romines, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 14-Allen, Blair, Crupper, DeMarcus, Freibert, Fryman, Guenthner, Hancock, Lewis, Plummer, P. Richardson, Schmidt, Turner, Worthington.

SB 170, by way of Committee Substitute, was passed and the title agreed to.

Representative Bruce moved that the vote by which **SB 170,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 45, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved the adoption of the Committee Amendment No. 1 to **SB 45.**

On the roll call the vote was yeas 57-Allen, Arnold, Barrows, Bennett, Blair, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Cawood, Clark, Crupper, Curd, Cyrus, Dawahare, DeMarcus, Deskins, Dunn, Gray, Guenthner, Haering, Heleringer, Holbrook, Holloway, Isler, Kenton, Layman, Lewis, List, Lundergan, McBee, Morris, Nett, Noe, Patrick, Petty, Plummer, Priddy, Rapier, Richards, Riner, Romines, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Wright, Yates. Nays 5-Davenport, Donnermeyer, Hancock, Mann, P. Richardson.

The Committee Amendment No. 1 to **SB 45** was adopted.

Representative Guenthner moved that **SB 45,** as amended, be passed.

On the roll call the vote was yeas 72-Adams, Allen, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Dunn, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Holbrook, Holloway, Isler, Johnson, Kenton, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Reynolds, Richards, B. Richardson, Riner, Romines, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Wright, Yates. Nays 7-Deskins, Donnermeyer, Ellington, McBee, Petty, Smith, Worthington.

SB 45, as amended, was passed and the title agreed to.

Representative Guenthner moved that the vote by which **SB 45,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 48, HB 353,** and **HB 394** had been examined and found correctly enrolled. Said bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Motions, Petitions, and Communications

Speaker Pro Tempore presiding.

Representative B. Richardson moved that **HB 14** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 48-Arnold, Barrows, Bendl, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, DeMarcus, Donnermeyer, Ellington, Freibert, Heleringer, Hines, Isler, LeMaster, Little, Mann, McBee, Moberly, Nett, Patrick, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Yates. Nays 0.

The motion that **HB 14** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative B. Richardson moved that **SB 118** be taken from the table.

The Chair ruled the motion out of order.

Representative B. Richardson moved that the rules be suspended to remove **SB 118** from the table.

On the roll call the vote was yeas 37-Arnold, Barrows, Bendl, Blair, Brinkley, Bruce, Burch, Clarke, Craddock, Cyrus, DeFalaise, Donnermeyer, Freibert, Gray, Hancock, Heleringer, Hines, Isler, Kenton, List, Little, Mann, McNutt Moberly, Morris, Nett, Pearman, Petty, Priddy, Richards, B. Richardson, Thomas, Tobin, Van Horn, White, Wilborn, Yates. Nays 14-Blandford, Boswell, Brown, Caldwell, Cawood, Crupper, DeMarcus, Guenthner, Layman, Smith, Stone, Stumbo, Thomason, Weinberg.

The motion that the rules be suspended to take **SB 118** from the table was rejected.

Representative LeMaster moved that **SB 141** be taken from the Committee on Appropriations and Revenue and placed in the Committee on Judiciary.

On the roll call the vote was yeas 44-Arnold, Bendl, Blandford, Blythe, Boswell, Brown, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Cyrus, DeFalaise, Deskins, Dunn, Gray, Guenthner, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, LeMaster, Little, Lundergan, Mann, McBee, McNutt, Moberly, Priddy, Rapier, P. Richardson, Romines, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Wilborn. Nays 12-Adams, DeMarcus, Donnermeyer, Ellington, Haering, Hancock, List, Richards, B. Richardson, Schmidt, Smith, Turner.

The motion that **SB 141** be taken from the Committee on Appropriations and Revenue and placed in the Committee on Judiciary was adopted.

Representative Deskins moved that the rules be suspended for the Introduction of Resolutions.

On the roll call the vote was yeas 53-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Craddock, Crupper, Cyrus, DeFalaise, Deskins, Donnermeyer, Dunn, Freibert, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Kenton, Kidd, Layman, LeMaster, Little, McKinney, Nett, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, Riner, Romines, Schmidt, Stone, Stumbo, Thomason, Van Horn, White, Williams. Nays 0.

The motion that the rules be suspended was adopted.

Introduction of Resolution

HCR 118, by Representatives Deskins and Dawahare: A CONCURRENT RESOLUTION directing that a study committee be formed to analyze all state programs providing assistance to small coal operators.

Motions, Petitions, and Communications (continued)

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 1 to the Committee Substitute to **HB 271,** by Representative Thomas:

Amend printed copy of Committee Substitute to **HB 271,** page 4, line 10, by inserting "*Marion County;*" after "Larue County;" and

on page 4, line 12, by placing a bracket "[" in front of the semicolon; and

on page 4, line 13, by placing a bracket "]" after "District"; and

on page 11, line 17, by putting a bracket "[" in front of "that"; and

on page 11, line 18, by placing a bracket "]" at the end of line 18.

Floor Amendment No. 2 to **HB 288,** by Representative Little:

Amend printed copy of **HB 288,** page 1, line 11, by deleting the number "4" and inserting in lieu thereof the number "5".

Floor Amendment No. 2 to Committee Substitute to **HB 531,** by Representative Noe:

Amend printed copy of Committee Substitute to **HB 532,** page 8, line 8-10, on page 26, lines 8 through 10, delete: "*prior to July 15, 1980 and 40 percent shall be paid by the special fund and 60 percent by the employer for all claims filed*".

Floor Amendment No. 3 to Committee Substitute to **HB 532,** by Representative Noe:

Amend printed copy of Committee Substitute to **HB 532,** on page 17, line 6, through page 27, line, 20, delete Section 12, and renumber the remaining sections accordingly.

Floor Amendment No. 4 to Committee Substitute to **HB 532,** by Representative Noe:

Amend printed copy of Committee Substitute to **HB 532,** page 53, following line 17, insert the following new section:

"SECTION 19. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any provision of this Act to the contrary, the "Guides to the Evaluation of Permanent Impairment," American Medical Association, 1977 edition, shall not be used to determine the degree of disability due to coal workers' pneumoconiosis." and

renumber the subsequent sections accordingly.

Floor Amendment No. 5 to Committee Substitute to **HB 532,** by Representative Noe:

Amend printed copy of Committee Substitute to **HB 532,** page 55, lines 20 and 21, delete "one (1) year" and, insert in lieu thereof, "two (2) years"

Floor Amendment No. 6 to Committee Substitute to **HB 532,** by Representative Noe:

Amend printed copy of Committee Substitute to **HB 532,** page 57, delete line 25.

Floor Amendment No. 7 to Committee Substitute to **HB 532,** by Representative Noe:

Amend printed copy of Committee Substitute to **HB 532,** page 57, delete lines 19 through 26; and

on page 58, delete line 1

Floor Amendment No. 8 to Committee Substitute to **HB 532,** by Representative Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** page 44, lines 7 and 8, delete "*whichever is more equitable under the circumstances of the particular case at issue*" and insert "*whichever is greater*".

Floor Amendment No. 9 to Committee Substitute to **HB 532,** by Representative Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** page 16, lines 5 and 6, delete "*as in the case of all other appeals to the circuit court*"

line 6, delete bracket

line 21, delete bracket

Floor Amendment No. 10 to Committee Substitute to **HB 532,** by Representative Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** on page 32, line 8, by deleting "*bodily functional*".

Floor Amendment No. 11 to Committee Substitute to **HB 532,** by Representative Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** on page 44, lines 10 and 11, delete "*one thousand five hundred and sixty (1,560)*", and insert "*two thousand and eighty (2,080)*".

Floor Amendment No. 12 to Committee Substitute to **HB 532,** by Representative Gray:

Amend printed copy of Committee Substitute to **HB 532,** on page 58, after line 1, add the following new section:

"SECTION 28. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provisions and amendments affected by the Act shall expire on December 31, 1982 unless re-enacted by the Kentucky General Assembly."

Floor Amendment No. 13 to Committee Substitute to **HB 532,** by Representative Stumbo:

Amend printed copy of Committee Substitute to **HB 532,** on page 58, following line 1, insert the following new section:

"Section 27. Whereas, the legislature recognizes that workers' compensation is a serious problem, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor."

Floor Amendment No. 14 to Committee Substitute to **HB 532,** by Representative Smith:

Amend printed copy of Committee Substitute to **HB 532,** on page 55, line 20, delete "*one (1)*" and insert "*two (2) years.*";

on page 55, delete lines 21 through 26;

on page 56, delete line 1.

Floor Amendment No. 15 to Committee Substitute to **HB 532,** by Representative Wilborn:

Amend printed copy of Committee Substitute to **HB 532,** on page 29, following line 17 by inserting the following:

"*(1) For the purposes of this section and for those of KRS 342.122, KRS 342.450, KRS 342.455, KRS 342.460, KRS 342.465, and KRS 342.470, the term "insurance carrier" shall include every group of self-insurers operating under the provisions of KRS 342.350(4) and the term "premium" shall include any and all assessments levied on its members by such a group or contributed to it by the members thereof.*"

and on page 29, line 18, by inserting before the word "Every" the enumeration *(2)*;

and on page 29, line 19, by deleting the last word (*or*) in said line and by deleting line 20 in its entirety.

Floor Amendment No. 16 to Committee Substitute to **HB 532,** by Representative Noe:

Amend printed copy of Committee Substitute to **HB 532,** on page 56, line 18, after "*fund.*", add the following sentence: "The amount of such unfunded liability shall be deemed a necessary governmental expense."

Floor Amendment No. 17 to the Committee Substitute to **HB 532,** by Representative Deskins:

Amend printed copy of Committee Substitute to **HB 532,** on page 7, beginning on line 14, add the following new subsections:

"*(3) The board shall review all previous awards or orders granting or awarding permanent partial disability benefits, commencing such review ninety (90) days prior to the tenth anniversity date of the last award or order granting the entitlement to permanent partial disability benefits. Review under this subsection shall be made by the board after notice has been given to the interested parties and said review shall not affect the previous order or award as to any sums already paid thereunder. However, benefit payments shall not be suspended during the pendency of such reopening procedure. In no event shall awards for weekly benefits for permanent partial disability extend beyond the employe's 65th birthday, unless the employe has received less than five years of benefits.*

(4) Where the board, after review, modifies a partial disability benefit award previously entered, said modification is limited to consideration of an increase, continuation of the same award, or decrease of partial disability benefits for the next five hundred twenty (520) week period."

Floor Amendment No. 18 to the Committee Substitute to **HB 532,** by Representatives Deskins and Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** on page 32, lines 8 through 18, delete new material;

line 18, delete bracket;

line 21, delete bracket.

Floor Amendment No. 19 to the Committee Substitute to **HB 532,** by Representatives Deskins and Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** on page 57, delete lines 21 through 25.

Floor Amendment No. 1 to Committee Substitute to **HB 631,** by Representative Weinberg:

Amend printed copy of House Committee Substitute to **HB 631,** on page 1, line 21, by inserting after the word "*section*" the words " *and Section 3 of this Act*"; and

on page 1, line 21, by adding the following:

"*In addition, a career employe whose employment in an unclassified position is so terminated shall be granted status in the classified service, subject to subsection (6) of this section.*"; and on page 2, line 22, by deleting "*A career employe shall not be*"; and

on page 2, by deleting lines 23 through 26 in their entirety; and

on page 3, line 1, by inserting between "*revoke*" and "*a*" the words "*the classified service status of*"; and

on page 3, line 2, by deleting "*employe's*" and inserting in lieu thereof "*employe who has not previously attained*".

Floor Title Amendment No. 1 to **HB 695,** by Representative Weinberg:

Amend printed copy of **HB 695,** on page 1, by amending the title to read as follows: "AN ACT relating to building codes."

Floor Amendment No. 1 to **HB 695,** by Representative Weinberg:

Amend printed copy of **HB 695,** on page 4, by adding after line 12 the following:

"Section 2. KRS 198B.010 is amended to read as follows:
As used in this chapter, unless otherwise provided:
(1) "Assembly occupancy" means the occupancy or use of a building or structure or any portion thereof by a gathering of persons for civic, political, travel, religious, social or recreational purposes; including among others:
(a) Armories;
(b) Assembly halls;
(c) Auditoriums;
(d) Bowling alleys;
(e) Broadcasting studios;
(f) Chapels;
(g) Churches;
(h) Clubrooms;
(i) Community buildings;
(j) Courthouses;
(k) Dance halls;
(l) Exhibition rooms;
(m) Gymnasiums;
(n) Hotels;
(o) Lecture rooms;
(p) Lodge rooms;
(q) Motels;
(r) Motion picture theaters;
(s) Museums;
(t) Night clubs;
(u) Opera houses;
(v) Passenger stations;
(w) Pool rooms;
(x) Recreation areas;
(y) Restaurants;
(z) Skating rinks;
(aa) Television studios;
(bb) Theaters.

(2) "Attic" means the space between the ceiling beams of the top habitable story and the roof rafters.

(3) "Basement" means that portion of a building the average height of which is at least half below grade, which is ordinarily used for purposes such as storage, laundry facilities, household tool shops, and installation and operation of heating, cooling and ventilating facilities, but which is not ordinarily used for purposes of general household habitation.

(4) "Building" means any combination of materials, whether portable or fixed, which comprises a structure affording facilities or shelter for any *public* [human] occupancy, whether infrequent or regular. The word "building" shall be construed wherever used herein as if followed by the words "or part or parts thereof and all equipment therein" unless the context clearly requires a different meaning. "Building" shall also mean

swimming pools constructed below grade on site, but not swimming pools assembled above grade on site. "Building" shall not mean a mobile home, or a farm dwelling or other farm buildings and structures incident to the operation and maintenance of the farm if such farm structures are located outside the boundary of a municipality and are not used in the business of retail trade or used as a place of regular employment for ten (10) or more people or structures used in the storage or processing of timber products. This chapter shall not apply to any single family dwelling except those sold or constructed under a trade or brand name.

(5) Any city *of the first, second or third class*[, county] or urban county government of the Commonwealth may extend, by ordinance, the application of this chapter to those single family dwellings exempted under subsection (4) of this section, but may not enforce any building code other than the uniform state building code on such dwellings.

[(6) Nothing in this chapter shall be construed to exempt single family dwellings from those provisions of the uniform state building code that relate to the national electric code and the state plumbing code.]

(6)[(7)] "Business occupancy" means the occupancy or use of a building or structure or any portion thereof for the transaction of business, the rendering or receiving of professional services, or the displaying, selling or buying of goods, wares, or merchandise, or the housing of vehicles of transportation, except where occupancy is of high hazard; including among others:

(a) Banks;
(b) Barber shops;
(c) Beauty parlors;
(d) Department stores;
(e) Garages;
(f) Markets;
(g) Service stations;
(h) Offices;
(i) Stores;
(j) Radio stations;
(k) Telephone exchanges;
(l) Television stations.

(7)[(8)] "Commissioner" means the commissioner of housing, buildings and construction.

(8)[(9)] "Construction" means the erection, fabrication, reconstruction, substantial alteration or conversion of a building, or the installation of equipment therein.

(9)[(10)] "Department" means the department of housing, buildings and construction.

(10)[(11)] "Educational occupancy" means the occupancy or use of a building or structure or any portion thereof by persons assembled for the purpose of learning or of receiving education instruction; including among others:

(a) Academies;
(b) Care centers;
(c) Colleges;
(d) Kindergartens;
(e) Libraries;
(f) Pre-schools;
(g) Relocatable classroom unit;
(h) Schools;
(i) Seminaries;
(j) Universities.

(11)[(12)] "Equipment" means facilities or installations, including but not limited to, heating, electrical, ventilating, air conditioning, and refrigerating facilities or installations.

(12)[(13)] "High hazard occupancy" means the occupancy or use of a building or structure or any portion thereof that involves highly combustible, high flammable or explosive materials or which has inherent characteristics that constitute a special fire hazard including among others:

(a) Aluminum powder factories;
(b) Charging or filling stations;
(c) Distilleries;
(d) Dry cleaning plants;
(e) Dry dyeing plants;
(f) Explosive-manufacture, sale or storage;
(g) Flour and feed mills;
(h) Gasoline bulk plants;
(i) Grain elevators;
(j) Lacquer factories;
(k) Liquefied petroleum gas;

(l) Mattress factories;
(m) Paint factories;
(n) Pyroxylin-factories, or warehouses;
(o) Rubber factories.

(13)[(14)] "Industrial occupancy" means the occupancy or use of a building structure or any portion thereof for assembling, fabricating, finishing, manufacturing, packaging or processing operations, except for occupancies of high hazard; including among others:

(a) Assembly plants;
(b) Creameries;
(c) Electrical substations;
(d) Factories;
(e) Ice plants;
(f) Laboratories;
(g) Laundries;
(h) Manufacturing plants;
(i) Mills;
(j) Power plants;
(k) Processing plants;
(l) Pumping stations;
(m) Repair garages;
(n) Smokehouses;
(o) Workshops.

(14)[(15)] "Industrialized building system" means any structure or component thereof which is wholly or in substantial part fabricated in an off-site manufacturing facility for installation or assembly on a permanent foundation at the building site.

(15)[(16)] "Institutional occupancy" means the occupancy or use of a building or structure or any portion thereof by persons harbored or detained to receive medical, charitable or other care or treatment, or by persons involuntarily detained; including among others:

(a) Asylums;
(b) Homes for the aged;
(c) Hospitals;
(d) Houses of Corrections;
(e) Infirmaries;
(f) Jails;
(g) Nursing homes;
(h) Orphanages;
(i) Penal institutions;
(j) Reformatories;
(k) Sanitariums;
(l) Nurseries.

(16)[(17)] "Mobile home" means mobile home as defined in KRS 227.550(1).

(17)[(18)] "Story" means that part of a building comprised between a floor and the floor or roof next above which is not a basement or an attic."

Floor Title Amendment to **HB 702,** by Representative Patrick:

Amend printed copy of **HB 702,** page 1, by changing the title to read as follows: "AN ACT relating to penalties."

Floor Amendment No. 1 to **HB 702,** by Representative Patrick:

Amend printed copy of **HB 702,** on page 5, following line 10 by inserting the following:

"Section 2. KRS 150.990 is amended to read as follows:

(1) Each bird, fish or animal taken, possessed, bought, sold or transported and each device used or possessed contrary to the provisions of this chapter or any regulation adopted by the commissioner thereunder shall constitute a separate offense. The penalties prescribed in this section shall be for each offense.

(2) Any person who violates any of the provisions of this chapter or any regulations adopted by the commission hereunder, for which no definite fine or imprisonment is fixed, shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100).

(3) Any person who violates any of the provisions of subsection (3) of KRS 150.090, subsections (1) and (2) of KRS 150.180, KRS 150.300, KRS 150.330, subsection (2) of KRS 150.360, KRS 150.485 or KRS 150.600 shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200) or imprisoned for not more than six (6) months, or both.

(4) Any person who violates any of the provisions of KRS 150.460 shall be fined not less than one hundred-dollars ($100) nor more than five hundred dollars ($500), or imprisoned for not more than six (6) months, or both, and in addition to such penalties shall be liable to the department in an amount reasonably necessary to restock such fish or replenish such other wildlife which has been killed or destroyed.

(5) Any licensee who violates any provisions of this chapter or any regulations adopted by the commissioner thereunder shall, in addition to the penalties provided in subsections (2), (3) and (4) of this section, forfeit his license and shall not be permitted to purchase another license for the same calendar year.

(6) Any county clerk, deputy clerk or agent who knowingly makes a false entry upon a license record or report, in violation of subsection (2) of KRS 150.190 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(7) Any person who violates the provisions of KRS 150.390(1), (2), (3) or (4) shall be fined not less than one hundred dollars ($100), nor more than five hundred dollars ($500).

(8) Any person who violates the provisions of KRS 150.390(5) shall be fined not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000), or imprisoned for not less than thirty (30) days nor more than one (1) year, or both.

(9) Any person who violates the provisions of KRS 150.390(5) shall, in addition to the penalties prescribed in subsection (8) of this section, forfeit his hunting license and shall not be permitted to apply nor be issued a hunting permit for a period of one (1) to three (3) years and in addition shall be liable to the department in an amount reasonably necessary to replace any deer or wild turkey taken in violation of KRS 150.390(5).

(10) Any person who violates KRS 150.525 shall be fined not less than twenty-five dollars ($25), nor more than two hundred dollars ($200) or imprisoned for not more than six (6) months, or both.

(11) Any person who violates any regulation which has been or may be hereafter adopted by the commission under any provisions of this chapter or which is adopted to supplement, explain, carry out or limit any provision of this chapter, shall be subject to the same penalty as is provided for the violation of any provisions of this chapter under which the regulation is adopted or which the regulation supplements, explains, carries out or limits.

(12) Any person violating the provisions of subsection (1) of KRS 150.670, shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100).

(13) Any nonresident who violates KRS 150.235, subsection (2) or (3), shall be fined not less than fifty dollars ($50) nor more than two hundred dollars ($200).

(14) No fines, penalty, or judgment assessed or rendered under this chapter shall be suspended, reduced or remitted otherwise than expressly provided by law.

(15) Any person who violates any provision of KRS 150.183 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each violation.

(16) Any person who knowingly violates KRS 150.400 or KRS 150.410 shall be fined not less than five hundred dollars ($500) and not more than one thousand dollars ($1,000) or imprisoned for up to three (3) months or both."

Floor Amendment No. 1 to **HB 703,** by Representative Worthington:

Amend printed copy of **HB 703,** on page 6, following line 4, by inserting the following: "(2) Survey public attitutes and perceptions towards this approach;"; and

on page 6, line 5, by changing "(2)" to "(3)"; and

by renumbering all subsequent subsections accordingly.

Floor Amendment No. 1 to **HB 712,** by Representative Heleringer:

Amend printed copy of **HB 712,** "prohibit insurance companies from setting premiums according to age, sex, race, marital status, or location of residence; require premiums to be established according to driving record of insured *only*."

Floor Amendment No. 2 to **HB 712,** by Representative Heleringer:

Amend printed copy of **HB 712,** on page 3, line 14, by inserting after said line the following:

"Section 2. KRS 304.13-030 is amended to read as follows:

(1) Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated;

(b) Rates shall not be excessive, inadequate or unfairly discriminatory;

(c) Due consideration shall be given:

1. To past and prospective loss experience within and outside this state;
2. To the conflagration and catastrophe hazards;
3. To a reasonable margin for underwriting profit and contingencies;
4. To dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers;
5. To past and prospective expenses both country wide and those specially applicable to this state;
6. To all other relevant factors within and outside this state; and
7. In the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent three-year period for which such experience is available;

(d) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or group of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(e) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks which may have a probable effect upon losses or expenses.

(f) Notwithstanding other provisions in this section, motor vehicle insurance rates shall be determined solely on the basis of the driving record of the insured and factors such as age, sex, race, marital status, and place of residence shall not be used to determine motor vehicle insurance rates.

(2) Except to the extent necessary to meet the provisions of paragraph (b) of subsection (1) of KRS 304.13-030, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(3) Rates made in accordance with this section may be used subject to this subtitle."

Floor Amendment No. 1 to **HB 752,** by Representative Deskins:

Amend printed copy of **HB 752,** on page 4, after line 26 by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 352 IS CREATED TO READ AS FOLLOWS:

(1) Where a slope or shaft is normally used for travel-way, no lowering or raising of equipment shall be allowed in the shaft or slope while men are nearby.

(2) Upon the effective date of this Act, all battery powered equipment used underground shall be equipped with an under-voltage indicator. When the voltage is less than three-fourths of its rated capacity, as indicated by the indicator, such equipment shall be withdrawn from use except for the purpose of returning the vehicle to the re-charging station. The under-voltage indicator shall be kept operative or the battery powered equipment removed from service.

(3) Emergency medical personnel shall be employed in every mine in the state upon the effective date of this Act. At least one (1) emergency medical attendant, paramedic or physician assistant shall be employed at a mine for every seventy (70) employees, or any part thereof, who are engaged at one time in the extraction, production, transportation or preparation of coal; provided, that the provision of this subsection shall not apply to mines employing no more than five (5) employes.

(4) Said emergency medical attendants shall be employed at their regular duties at a central location convenient for quick response to emergencies on each shift, and shall have available to them at all times such equipment as shall be prescribed by the commissioner of the department of mines and minerals, in consultation with the secretary of the department for human resources.

(5) Telephone service or equivalent two-way communications facilities shall be provided in all mines, at least one (1) of which shall be in service at all times.

(6) A telephone or equivalent two-way communication facility shall be located on the surface within five hundred (500) feet of all main portals, and shall be installed whether in a building or in a box-like structure designed to protect the facilities from damage by inclement weather. At least one (1) of these communications facilities shall be at a location where a responsible person is always on duty when men are underground and who can hear the facility and respond immediately in the event of an emergency. "Two-way communication facility" shall mean a system maintained to allow voice contact to come in and out of the working section at all times.

(7) Telephones or equivalent two-way communications facilities provided at each working section shall be located not more than five hundred (500) feet out by the last open crosscut and not more than eight hundred (800) feet from the farthest point of penetration of the working places on such section.

(8) The incoming communication signal shall activate an audible alarm, distinguishable from the surrounding noise level, or a visual alarm that can be seen by a miner regularly employed in the working section.

(9) If a communication system other than telephones is used and its operation depends entirely upon power from the mine electric system, means shall be provided to permit continued communication in the event the mine electric power fails or is cut off; provided, that where trolley phones and telephones are both used, an alternate source of power for the trolley phone is not required.

(10) Telephones or equivalent two-way communication facilities shall be maintained in good operating condition at all times. In the event of any failure in the system that results in loss of communication, repairs shall be started immediately and the system restored to operating condition as soon as possible.

(11) Where required by the commissioner, trucks used for haulage of coal, men or supplies by an operator shall be equipped with two-way communications instruments. Unless the commissioner for good cause grants a waiver, all such telephone or equivalent two-way communications shall be connected to regular telephonic and other means of communications available in the community so that in the event of an emergency, emergency medical attendants or other personnel can communicate from within the mine directly to health care facilities.

(12) All unattended underground loading points where electric driven hydraulic systems are used shall utilize a fireproof oil or emulsion.

(13) No miner shall be required to operate alleged unsafe equipment. The commissioner of the department shall by regulation establish a procedure for resolving disputes arising out of the refusal by a miner to operate such alleged unsafe equipment. No action shall be taken against a miner by an operator unless such miner is found to have acted in bad faith and without good cause by the commissioner or his authorized representative.

(14) All parties of the mining industry shall make an effort to see that all coal miners work in a dust-free atmosphere.

(15) An efficient self-propelled ambulance, equipped with sufficient first-aid equipment and supplies, shall be available on all underground sections to transport injured workers to the surface.

(16) Where transportation of personnel is exclusively by rail, track shall be maintained to within five hundred (500) feet of the nearest working face. Locomotives or vehicles traveling by track shall be equipped and maintained with two-way communications to allow voice contact between the dispatcher and other vehicles traveling on the track.

(17) In any coal mine where more than three hundred fifty (350) tons of a run of mine coal are produced on any shift in each twenty-four (24) hour period, a dispatcher shall be on duty when there are movements of track equipment underground, including time when there is no production of coal. Such traffic shall move only at the direction of the dispatcher. The dispatcher's only duty shall be to direct traffic. Where a dispatcher is employed, not person shall move a locomotive, personnel carrier or self-propelled equipment on or onto haulageways without instructions from the dispatcher.

(18) While trackmen are working on haulageways, the dispatcher, or if there is no dispatcher, such other person responsible for communications with haulage crews shall give notice to a haulage crew to maintain traffic under a slow and safe operating speed at the point of construction or repair.

(19) No miner shall be allowed to work in the mine unless he is within sound or sight of another miner."

Floor Amendment No. 1 to Committee Substitute to **HB 830,** by Representative Lewis:

Amend printed copy of Committee Substitute for **HB 830,** on page 22, after line 20, insert the following:

"SECTION 11. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

The provisions of this chapter shall not apply to surface coal mining operations affecting two (2) acres or less when conducted by a surface owner and the mineral estate has not been severed from the surface, provided that, where the mineral estate has been severed from the surface ownership, such surface coal mining operations shall be regulated by the department under the regulations applicable to the surface mining of clay."

and on page 22, line 21, by renumbering "Section 11" to "Section 12"; and

on page 22, line 23, by renumbering "Section 12" to "Section 13".

Floor Amendment No. 1 to **HB 864,** by Representative Pearman:

Amend printed copy of **HB 864,** on page 9, line 8, add a new section.

"Section 2. KRS 341.069 is amended to read as follows:
For the purpose of this chapter, a governmental entity is:
(1) The state government of the Commonwealth of Kentucky and its instrumentalities or a governmental unit thereof as provided for in KRS 341.060;
(2) A county government and its instrumentalities;
(3) A city or municipal government and its instrumentalities;
(4) A city-county urban (merged) government and its instrumentalities;
(5) A public school district and its instrumentalities;
(6) An independent governmental organization established pursuant to Kentucky Revised Statutes or by executive order of the governor;
(7) A special district that is funded or partially funded by county government;
(8)[(7)] A joint operation of two or more of the units defined in subsections (1) through *(7)* [(6)] above;
(9)[(8)] A joint operation of one or more of the units defined in subsections (1) through *(8)* [(7)] above with another state or a political subdivision or instrumentality thereof;
(10)[(9)] An employing unit which has service performed in covered employment pursuant to KRS 341.050(1)(d) which is not defined as a governmental entity in subsections (1) through *(9)* [(8)] of this section is a governmental entity under this subsection."

Renumber subsection sections accordingly.

Floor Amendment No. 1 to **HB 903,** by Representative Guenthner:

Amend printed copy of **HB 903,** page 1, by adding the following after line 8:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 271A IS CREATED TO READ AS FOLLOWS:

(1) After July 1, 1980, no producer or refiner of petroleum products shall open a major brand, secondary brand or unbranded retail service station in the Commonwealth of Kentucky, and operate it with company personnel, a subsidiary company, commissioned agent, or under a contract with any person, firm or corporation managing a retail service station on a fee arrangement with the producer or refiner. The station must be operated by a retail service station dealer.

(2) After July 1, 1981, no producer or refiner of petroleum products shall operate a major brand, secondary brand, or unbranded retail service station in the Commonwealth of Kentucky, with company personnel, a subsidiary company, commissioned agent, or under a contract with any person, firm or corporation

managing a service station on a fee arrangement with the producer or refiner. The station must be operated by a retail service station dealer.

(3) Every producer, refiner, or wholesaler of petroleum products supplying gasoline and special fuels to retail service stations shall:

(a) Extend all voluntary allowances uniformly to all retail service station dealers supplied.

(b) Apply all facility and equipment rentals uniformly to all retail service station dealers supplied.

(c) Apportion uniformly all gasoline and special fuels to all retail service station dealers during periods of shortages on an equitable basis, and shall not discriminate among the dealers in their allotments.

SECTION 3. A NEW SECTION OF KRS CHAPTER 271A IS CREATED TO READ AS FOLLOWS:

(1) The attorney general of the Commonwealth of Kentucky shall be empowered to monitor and enforce the provisions of this Act. If after investigation, a producer, refiner or wholesaler is found to be in violation of any applicable provision of the Act, the attorney general shall seek injunctive relief in a court of competent jurisdiction.

(2) The attorney general may permit reasonable exceptions to the divestiture dates specified in Section 2 of this Act after considering all of the relevant facts and reaching reasonable conclusions based upon those facts.

(3) The attorney general may adopt regulations defining the circumstances in which a producer or refiner temporarily may operate a previously dealer-operated station."

Floor Amendment No. 1 to **HB 920,** by Representative Morris:

Amend printed copy of **HB 920,** on page 3, line 6, after the word "known" delete the word "*national*";

On page 2, line 26, after the word "persons" insert words "*at least eight (8) of whom shall be blind or visually impaired*";

On page 6, line 1, after the word "Kentucky" insert the words "*The Executive Director shall submit an organizational plan to the advisory committee for review then submit to the Secretary and with approval implement.*

Floor Amendment No. 7 to **SB 41,** by Representative Richards:

Amend printed copy of **SB 41,** page 2, line 1

This Act shall not be construed as a limitation or in derogation of any municipal power or function otherwise provided by Statute.

Floor Amendment No. 8 to **SB 41,** by Representative Donnermeyer:

Amend printed copy of **SB 41,** page 1, beginning on the line after line 21 insert the following new subsection:

"(3) Notwithstanding any other provision in this Act, all rights of the utilities providing utility services in any area annexed by a city prior to the annexation, existing under other statutes, laws, or regulations are hereby expressly preserved."

On page 2, line 1, delete the number "3" and insert in lieu thereof the number "4".

Floor Amendment No. 9 to Floor Amendment No. 6 to **SB 41,** by Representative List:

Amend printed copy of Floor Amendment 6 to **SB 41,** on page 9 of the amendment, beginning on the third line from the end of subsection (3) of Section 9, delete the words "certification of the vote" and insert in lieu thereof the word "judgment" and in that same sentence place a period after the word "annexation" and delete the remainder of the sentence.

And on page 9, delete in its entirety all of Section 10 following the word "Section 10" and insert in lieu thereof the following:

KRS 81.110 is amended to read as follows:

(1) Within thirty (30) days after the enactment of an ordinance proposing to annex unincorporated territory to *any* [a first-class] city, or to reduce its limits, one or more residents or freeholders of the territory proposed to be annexed or stricken off may file a petition in the circuit court of the county, setting forth the reasons why the territory or any part of it should not be annexed, or why the limits should not be reduced. Summons shall issue on the petition and be executed on the chief executive officer of the city, and the answer of the city shall be filed within twenty (20) days after service of the summons.

(2) In cities of the first class, the case shall be tried according to the practice prescribed for the trial of jury cases.

[(2)] If the jury finds, upon a hearing, that less than seventy-five per cent (75%) of the freeholders of the territory to be annexed or stricken off have remonstrated, and that the adding or striking off of the territory will be for the interest of the city, and will cause no manifest injury to the persons owning real estate in the territory sought to be annexed or stricken off, the annexation or reduction shall be approved and become final. If the jury finds that seventy-five per cent (75%) or more of the resident freeholders of the territory sought to be annexed or stricken off have remonstrated, the annexation or reduction shall not take place, unless the jury finds from the evidence that a failure to annex or strike off will materially retard the prosperity of the city, and of the owners and inhabitants of the territory sought to be annexed or stricken off, in which case the annexation or reduction shall take place notwithstanding the remonstrance.

(3) In cities of the second through the sixth class, the case shall be tried in the same manner and under the same procedure as for cities of the first class except that the proceedings in the circuit court shall be tried according to the practice prescribed for the trial of the equity cases, without the intervention of a jury.

(4)[(3)] An appeal from the judgment may be taken as in other cases[, but there shall be no change of venue from the county]. Costs shall follow the judgment.

(5)[(4)] The judgment shall, when entered, be certified to the city legislative body. *If the judgment is in favor of the city, the legislative body*[, which] may thereupon annex to or strike from the city the territory described in the judgment, and the territory shall then become, or cease to become, a part of the city.

An on page 12 of the amendment, delete in its entirety the text of subsection (3) to Section 12, and insert in lieu thereof the following: "The procedure provided for remonstration against annexation in KRS 81.110 shall be applicable with respect to the reduction of territory."

An on page 13 of the amendment delete the last two lines on the page beginning with "81.110".

Floor Amendment No. 3 to **SB 140,** by Representative Johnson:

Amend printed copy of **SB 140,** on page 1, line 13, by inserting "*on or before October*" after the word "age" and by placing brackets around "by September"

on page 1, line 17, by inserting "*on or before October*" after the word "age" and placing brackets around "by September".

Floor Amendment No 1 to **SB 170,** by Representative Schmidt:

Amend printed copy of **SB 170,** on page 6, after line 16, insert the following:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

All the duties and functions of the department of insurance are transferred to the Office of the Attorney General.

Section 5. The reviser of statutes is directed to make the following changes in the Kentucky Revised Statutes:

(1) change commissioner of insurance to Attorney General;

(2) change department of insurance to Office of the Attorney General."

Floor Amendment No. 1 to **SB 205,** by Representative Heleringer:

Amend printed copy of **SB 205,** on page 3, line 24 et al, after the word "individual" insert: "...who has received a judgment or is covered by an insurance policy (not to preclude an absent parent),..."

Floor Amendment No. 2 to **SB 205,** by Representative Heleringer:

Amend printed copy of **SB 205,** add the following language:

"Nothing in this section shall allow the Department to use the threat of collection of personal funds for the care or treatment of an individual as a condition for the individual agreeing to the Department's demand or request for a change in level of care or treatment of that individual."

Penalties: allow individual to seek injunctive relief in county of residence of individual, county of location of DHR, or county of location of DHR facility; allow treble damages for successful suit against DHR.

Floor Amendment No. 1 to **HB 14,** by Representative Bennett:

Amend printed copy of **HB 14,** on page 3, line 1, following the word "successors" delete the "[";

On page 3, line 17, following the word "term" delete "]";

On page 3, line 17, delete the words "The sheriff"; and

On page 3, delete lines 18, 19, 20, 21 in their entirety.

Floor Amendment No. 2 to **HB 14,** by Representative Guenthner:

Amend printed copy of **HB 14,** page 3, line 22, after "Section 5." insert "It is proposed that Section 30 of the Constitution of Kentucky be amended to read as follows:

Members of the House of Representatives and Senators shall be elected at the general election in even-numbered years for terms of *six* [four] years for Senate and *four* [two] years for members of the House of Representatives. The term of office of Representatives and Senators shall begin upon the first day of January of the year succeeding their election.

Section 6. It is proposed that Section 31 of the Constitution of Kentucky be amended to read as follows:

At the general election to be held in November, 1984, and every two years thereafter *when necessary,* there shall be elected for *six* [four] years one Senator in each Senatorial District in which the term of his predecessor in office will then expire and in every Representative District one Representative for *four* [two] years. *No person shall serve more than two terms as a member of each house of the Kentucky general assembly.*

Section 7."

Floor Amendment No. 3 to **HB 288,** by Representative Mann:

Amend printed copy of **HB 288,** on page 1, line 5, by deleting the word "Licensed" and inserting in lieu thereof the word "Certified".

On page 1, line 9, by deleting the word "license" and inserting in lieu thereof the word "certificate".

On page 1, lines 10 and 11, by deleting the words ", with the exception of those professions listed in Section 4 of this Act".

On page 1, by deleting lines 12 through 19 in their entirety, and by renumbering the subsequent subsections accordingly.

On page 3, line 16, by deleting the word "Four (4)" and inserting in lieu thereof the word "Two (2)".

On page 3, lines 17, 18, and 19 by deleting the words "a list of ten (10) submitted by the Kentucky personnel and guidance association, all of whom must be" and inserting in lieu thereof the word "those".

On page 3, line 19, by deleting the word "licensure" and inserting in lieu thereof the word "certificate".

On page 3, line 20 by, deleting the words "the fifth" and by inserting in lieu thereof the word "three (3)", by adding an "s" to the word "appointee" and by deleting the word "a".

On page 3, line 21, by adding an "s" to the word "citizen".

On page 4, line 3, by deleting the words "These successors shall be nominated from a list of", and by deleting lines 4, 5 and 6 in their entirety, and on line 7 by deleting the words "provisions of this Act".

On page 4, line 22, by deleting the word "licensure" and inserting in lieu thereof the word "certification".

On page 4, line 24, by deleting the word "initial" and by deleting the lines 25 and 26 in their entirety and inserting in lieu thereof the word "certificate".

On page 5, line 11, by deleting the word "licensure" and inserting in lieu thereof the word "certification".

On page 5, line 16, by deleting the word "license" and inserting in lieu thereof the word "certified".

On page 5, line 6, by deleting the word "licensed" and inserting in lieu thereof the word "certified".

On page 5, by deleting lines 23 and 24 in their entirety and by renumbering the subsequent subsections accordingly.

On pages 6 and 7, beginning at line 16, by deleting subsection (2) in its entirety.

On pages 7 and 8 by deleting Sections 5 and 6 in their entirety and renumbering all subsequent sections accordingly.

On page 8, line 23, by deleting subsection (1) in its entirety and inserting in lieu thereof the following:

"(1) No person shall practice or hold himself out to the public as a "certified professional counselor" unless he is certified in accordance with the provisions of this Act."

On page 9, line 15, by deleting the word "license" and inserting in lieu thereof the word "certificate".

On page 9, by deleting line 18 in its entirety and renumbering subsequent subsections accordingly.

On page 10, line 12, by deleting the word "license" and inserting in lieu thereof the word "certificate".

On page 11, by deleting Section 10 in its entirety and by renumbering the subsequent sections accordingly.

On page 11, after the line 24, by adding the following new section:

"SECTION 9. A NEW SECTION OF KRS CHAPTER 319A IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall be repealed effective July 1, 1984, subject to review and evaluation and possible reenactment by the General Assembly."

Floor Amendment No. 1 to Committee Substitute to **HB 487,** by Representative Burch:

Amend printed copy of Committee Substitute for **HB 487,** on page 6, by deleting lines 3 through 26 in their entirety, and on page 7, by deleting lines 1 through 4 in their entirety.

Floor Amendment No. 1 to **HJR 104,** by Representative Williams:

Amend printed copy of **HJR 104,** on page 2, after line 18 add the following: "At least one member of the Task Force shall come from the minority community."

Representative Van Horn moved that **HB 420** be taken from the Committee on State Government and sent to the Committee on Labor and Industry.

On the roll call the vote was yeas 30-Allen, Arnold, Bennett, Blythe, Bronger, Brown, Burch, Crupper, Cyrus, DeFalaise, Gray, Guenthner, Heleringer, Holbrook, Johnson, Layman, Little, McBee, McKinney, Noe, Pearman, Plummer, Riner, Romines, Smith, Stone, Stumbo, Van Horn, White, Wright. Nays 25-Adams, Barrows, Bendl, Caldwell, Clapp, Clarke, Craddock, DeMarcus, Dunn, Freibert, Hancock, Holloway, Isler, Kenton, List, Mann, Moberly, O'Brien, Rattliff, Richards, B. Richardson, P. Richardson, Thomason, Turner, Wilborn.

The motion that **HB 420** be taken from the Committee on State Government and sent to the Committee on Labor and Industry was adopted.

Representative Little moved that **HB 288** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 27-Adams, Arnold, Bendl, Bennett, Brown, Burch, Cawood, Crupper, Cyrus, Dunn, Heleringer, Isler, Little, McBee, McKinney, Noe, Pearman, Rapier, Richards, Riner, Romines, Smith, Stone, Stumbo, Thomason, Van Horn, White. Nays 16-Allen, Barrows, Blythe, Caldwell, Clapp, DeFalaise, DeMarcus, Donnermeyer, Ellington, Guenthner, Holloway, Mann, Moberly, Rattliff, Schmidt, Turner.

The motion that **HB 288** be taken from the Clerk's desk and placed in the Orders of the Day was adopted.

Representative Freibert moved the adoption of the following Legislative Citation No. 56:

The House of Representatives of the Commonwealth of Kentucky hereby commends Mr. Bill Enright, a native of Ireland and Mr. Ray Laughlin of Ireland, currently living in Lexington, Kentucky, for a fantastic and superfluous idea that was conceived, developed and implemented in the brief interim of six weeks. The first exhilarating, spectacular and festive occasion - St. Patrick's Day Parade, held March 15, 1980 in Lexington, Kentucky warmed and excited the hearts and minds of approximately ten thousand well wishers and one hundred and forty-three entries. This magnificent occasion turned the Bluegrass green and green is indicative of growth and a grand manifestation of success. You have both bestowed great honor upon us as well as your native land. The St. Patrick's Day Parade was sponsored by Governor and Mrs. John Y. Brown, Jr., the Urban-County Government and the Bluegrass Irish Society. The Grand Marshal was Ed McMahon of "The Tonight Show." This prestigious body salutes and congratulates you for making this a memorable occasion for our city and the Commonwealth of Kentucky. (Sponsored by Representative Freibert)

Agreed.

Representative P. Richardson moved the adoption of the following Legislative Citation No. 60:

The House of Representatives of the Commonwealth of Kentucky hereby extends a warm and cordial welcome to Miss Laura Gabriela Niani, age seventeen, daughter of Mr. and Mr. E. M. Niani of Buenos Aires, Argentina, a senior and exchange student attending Franklin County High School and visiting in the home of Mr. and Mrs. Donald Cheshire. We are proud that you love our schools and its programs. Your love and admiration for Kentucky is most encouraging and we are excited and pleased that you desire to remain in our great Commonwealth of Kentucky and our grand United States. We extend to you our best wishes for success and happiness. (Sponsored by Representative Hancock).

Agreed.

Representative P. Richardson moved the adoption of the following Legislative Citation No. 59:

The House of Representatives of the Commonwealth of Kentucky hereby extends a warm and cordial welcome to Miss Marianella Marsano Chumbez, eighteen year old daughter of Mr. and Mrs. Nardelli, Lima, Peru, a senior and exchange student visiting Florida and Kentucky and a guest in the home of Mr. and Mrs. Virgil Campbell. We are very proud and fortunate to have you visit the "Bluegrass State". Your stay will hopefully be a time of learning and enjoyment. The exchange program has given both of us an opportunity to learn of Peru, your native country, in exchange for you to participate in Kentucky's programs and activities. We are highly honored that you would like to remain in our country, especially the State of Kentucky. This body extends our very best wishes for a happy and enjoyable stay in our great state. (Sponsored by Representative Hancock)

Agreed.

Representative P. Richardson moved the adoption of the following Legislative Citation No. 58:

The House of Representatives of the Commonwealth of Kentucky hereby extends a very warm and cordial welcome to Miss Berta Patricia Yabel Tacchini, the fifteen year old daughter of Mr. and Mrs. Yaber, Santiago, Chile, a junior and exchange student attending Franklin County High School and visiting in the home of Mr. and Mrs. Warner Hines. Your love and admiration for Kentucky is most encouraging and we are excited and pleased that you desire to remain in our great Commonwealth of Kentucky. We extend to you our best wishes for success and happiness. (Sponsored by Representative Hancock)

Agreed.

Representative P. Richardson moved the adoption of the following Legislative Citation No. 57:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes Edda Mariella Beltran Marsano, the eighteen year old daughter of Mr. and Mrs. Beltran, Lima, Peru, as an exchange student visiting Kentucky and attending Franklin County High School, Frankfort, Kentucky and a house guest of Mr. and Mrs. Lyle Craycroft. This body welcomes you and we are glad you like our beautiful state. We wish you much success as you further you studies in accounting. The House of Representatives extends to you our very best wishes for happiness in the future. (Sponsored by Representative Hancock)

Agreed.

Representative Barrows moved the adoption of the following Legislative Citation No. 62:

The House of Representatives of the Commonwealth of Kentucky hereby extends our congratulations to the Jessamine County High School Basketball Team and your excellent coach, Mr. Norman Manasco, as the winner of the forty-second District Championship. We commend you for your great team effort, high level of competition and competency. Your performance is a great tribute to you, your school and the community. We applaud you and express our best wishes for your continued success. (Sponsored by Representative Barrows)

Agreed.

Representative Barrows moved the adoption of the following Legislation Citation No. 61:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Midway College Girls' Basketball Team and your excellent coach, Mrs. Nancy Winstel, for your recent victory—Championship winner of Division III of the small colleges held at Campbellsville, Kentucky, February 28-29, March 1. Midway College excelled in competition with other colleges—Berea, Transylvania and Center. Your competitive spirit and acceptance of a genuine challenge merit highest commendation. To qualify for participation in Division III, Region II at Maryville, Tennessee, March 6-8, 1980, demonstrated your perseverance and dedication. You have bestowed great honor and pride upon your school and community. Coach Winstel, you have demonstrated great leadership qualities and this body salutes you and your team for your fine performance and school loyalty. (Sponsored by Representative Barrows)

Agreed.

Representative Mann moved that **SB 59** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 24-Arnold, Caldwell, Craddock, Donnermeyer, Dunn, Gray, Head, Holbrook, Isler, Mann, McBee, Moberly, Pearman, Petty, Rapier, Richards, Riner, Romines, Schmidt, Stone, Thomason, Turner, Van Horn, Wilborn. Nays 2-Smith, Stumbo.

The motion that **SB 59** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative B. Richardson moved that the rules be suspended for Reference of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Resolutions (continued)

HR 116, by Representative Bendl: A RESOLUTION honoring the 25th Anniversary of the Kentucky Derby Festival.

HR 117, by Representative Patrick: A RESOLUTION requesting the department of fish and wildlife resources to revise and clarify its regulations relating to trapping.

Reference of Bills and Resolutions (continued)

The Clerk announced the Committee on Committees has referred **HCR 118** to the Committee on Natural Resources and Environment.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Judiciary: **HB 812, SB 141.**

Natural Resources and Environment: **HB 445, HB 536, HB 559, HB 560, HB 561, HCR 108, SCR 18, SB 260, HCR 118.**

State Government: **HB 678, HB 519, HCR 79, HB 739, HB 930, SB 56.**

Labor and Industry: **HB 950, HB 689, HB 471, HB 705, HB 836, HB 420, SB 14.**

Transportation: **HB 846, SB 68, SB 148.**

Elections and Constitutional Amendments: **SB 225.**

Business Organizations and Professions: **HB 948, HB 654.**

Agriculture and Small Business: **HB 736.**

Appropriations and Revenue: **SB 79, HB 684, HB 301.**

Education: **SB 163, SB 174, SB 201, SB 275.**

Health and Welfare: **SB 66.**

Counties and Special Districts: **HB 817, SB 210, SB 235.**

Banking and Insurance: **SB 206, SB 280, HR 58, SB 20, SB 247.**

Report of Committees (continued)

The Committee on Transportation reported **HB 881,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 881, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.450 is amended to read as follows:

As used in KRS 138.460 and 138.470, unless the context requires otherwise:

(1) "Dealer" means any person engaged in the sale of motor vehicles at retail;

(2) "Motor vehicle" means any vehicle that is propelled by other than muscular power and that is used for transportation of persons or property over the public highways of the state, except road rollers, mopeds, vehicles that travel exclusively on rails, and vehicles propelled by electric power obtained from overhead wires;

(3) "Moped" means a pedal bicycle with a helper motor *or a motorized bicycle with an electric starter* rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, [an automatic transmission] not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;

(4) Except as provided in subsection (5) of this section, "retail price" shall be determined as follows:

(a) For new motor vehicles "retail price" shall be 90% of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges;

(b) For used motor vehicles whose values appear in the automotive reference manual prescribed by the department of revenue, "retail price" shall be the value given in such reference manual;

(c) For the older used motor vehicles whose values no longer appear in the automotive reference manual, "retail price" shall be determined as follows:

Number of Years Removed From Manual	Retail Price
1	75% of value of same make vehicle last appearing in manual
2	50% of value of same make vehicle last appearing in manual
3	25% of value of same make vehicle last appearing in manual
All Others	10% of value of same make vehicle last appearing in manual;

(d) In the case of used motor vehicles previously registered in this state, which are sold in this state, a trade-in allowance equal to the "retail price" of the vehicle taken in trade shall be deducted in computing the "retail price" of the vehicle sold.

(5) Notwithstanding the provisions of subsection (4) of this section, provided the tax on gasoline, diesel, other special motor fuels and liquefied petroleum gas is increased as provided for in KRS 138.220(2), 138.565(3), 138.660(2) and 234.320(2), "retail price" shall be determined as follows:

(a) For new motor vehicles "retail price" shall be the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges;

(b) For used motor vehicles whose values appear in the automotive reference manual prescribed by the department of revenue, "retail price" shall be the value given in such reference manual;

(c) For the older used motor vehicles whose values no longer appear in the automotive reference manual, "retail price" shall be determined as follows:

Number of Years Removed From Manual	Retail Price
1	75% of value of same make vehicle last appearing in manual

Number of Years Removed From Manual	Retail Price
2	50% of value of same make vehicle last appearing in manual
3	25% of value of same make vehicle last appearing in manual
All Others	10% of value of same make vehicle last appearing in manual

(d) In the case of used motor vehicles previously registered in this state, which are sold in this state, and new motor vehicles sold by Kentucky licensed dealers, a trade-in allowance equal to the "retail price" of the vehicle taken in trade shall be deducted in computing the "retail price" of the vehicle sold.

Section 2. KRS 186.010 is amended to read as follows:

(1) "Department" as used in KRS 186.400 to 186.640 means the department of transportation; except as specifically designated, "department" as used in KRS 186.020 to 186.270 means the department of transportation only with respect to motor vehicles, other than commercial vehicles; "department" as used in KRS 186.020 to 186.270 means the bureau of vehicle regulation when used with respect to commercial vehicles.

(2) "Highway" means every way or place of whatever nature when any part of it is open to the use of the public, as a matter of right, license or privilege, for the purpose of vehicular traffic.

(3) "Manufacturer" means any person engaged in manufacturing motor vehicles who will, under normal conditions during the year, manufacture or assemble at least ten (10) new motor vehicles.

(4) "Motor vehicle," means in KRS 186.020 to 186.260, all vehicles, as defined in paragraph (a) of subsection (8) of this section, which are propelled otherwise than by muscular power. As used in KRS 186.400 to 186.640, it means all vehicles, as defined in paragraph (b) of subsection (8) of this section, which are self-propelled. Motor vehicle shall not include a moped as defined in this section.

(5) "Moped" means a pedal bicycle with a helper motor *or a motorized bicycle with an electric starter* rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, [an automatic transmission] not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(6) "Operator" means any person in actual control of a motor vehicle upon a highway.

(7) "Owner" means a person who holds the legal title of a vehicle. If a vehicle is the subject of an agreement for the conditional sale or lease, with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or if a mortgagor of a vehicle is entitled to possession, the conditional vendee or lessee or mortgagor shall be deemed the owner.

(8) (a) "Vehicle," as used in KRS 186.020 to 186.260, includes all agencies for the transportation of persons or property over or upon the public highways of this commonwealth and all vehicles passing over or upon said highways, excepting road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails, and such vehicles as are propelled by electric power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the city limit of any municipality.

(b) As used in KRS 186.400 to 186.640, "vehicle" means every device in, upon or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by human and animal power or used exclusively upon stationary rails or tracks, or which derives its power from overhead wires.

(9) KRS 186.020 to 186.270 apply to motor vehicle licenses. KRS 186.400 to 186.640 apply to operator's licenses.

(10) "Dealer" means any person engaging in the business of buying or selling motor vehicles.

(11) "Commercial vehicles" means all motor vehicles that are required to be registered under the terms of KRS 186.050, but not including vehicles primarily designed for carrying passengers and having provisions for not more than nine (9) passengers (including driver), motorcycles, side car attachments and motor vehicles registered under KRS 186.060.

Section 3. KRS 187.290 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Department" means the department of transportation.

(2) "Highways" means every way or place of whatever nature when any part of it is open to the use of the public, as a matter of right, license or privilege, for purpose of vehicular traffic.

(3) "Judgment" means any judgment which has become final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a

court of competent jurisdiction of any state or of the United States, upon a cause of action arising out of the ownership, maintenance or use of any motor vehicle, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, or upon a cause of action on an agreement of settlement for such damages.

(4) "Motor vehicle" means every self-propelled vehicle which is designed for use upon a highway, including trailers designed for use with such vehicles (except traction engines, road rollers, farm tractors, tractor cranes, power shovels, mopeds, and well drillers) and every vehicle which is propelled by electric power obtained from overhead wires but not operated upon rails.

(5) "Moped" means a pedal bicycle with a helper motor *or a motorized bicycle with an electric starter* rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, [an automatic transmission] not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;

(6) "License" means any operator's license, temporary instruction permit or temporary license issued under the laws of this state pertaining to the licensing of operators.

(7) "Nonresident" means every person who is not a resident of this state.

(8) "Nonresident's operating privilege" means the privilege conferred upon a nonresident by the laws of this state pertaining to the operation by him of a motor vehicle, or the use of a motor vehicle owned by him, in this state.

(9) "Operator" means every person who is in actual physical control of a motor vehicle.

(10) "Owner" means a person who holds the legal title of a motor vehicle, or in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purposes of this chapter.

(11) "Proof of financial responsibility" means proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a motor vehicle in the amount of ten thousand dollars ($10,000) because of bodily injury to or death of one (1) person in any one (1) accident, and, subject to said limit for one (1) person, in the amount of twenty thousand dollars ($20,000) because of bodily injury to or death of two (2) or more persons in any one (1) accident, and in the amount of five thousand dollars ($5,000) because of injury to or destruction of property of others in any one (1) accident.

(12) "Registration" means registration certificates and registration plates issued under the laws of this state pertaining to the registration of motor vehicles.

(13) "State" means any state, territory or possession of the United States, the District of Columbia, or any province of the Dominion of Canada.

Section 4. KRS 189.285 is amended to read as follows:

(1) No person shall operate a motorcycle on a highway:

(a) Except when that person is in possession of a valid motorcycle operator's license; and

(b) Unless that person uses an approved eye-protective device, in the manner prescribed by the secretary of the department of transportation, at all times such vehicle is in motion; and

(c) Unless the motorcycle is equipped with a rear-view mirror.

(2) No person shall operate or ride as a passenger on a motorcycle:

(a) Except on a seat permanently attached to that vehicle and specifically designed to carry the operator or passenger in a safe manner; and

(b) Except when using a footrest permanently attached to that vehicle and specifically designed to carry that person in a safe manner; and

(c) Unless that person wears approved protective headgear, in the manner prescribed by the secretary of the department of transportation, at all times that the vehicle is in motion.

(3) The secretary of the department of transportation shall by regulation fix minimum standards for approved protective headgear and for approved eye-protective devices, and prescribe the manner in which they shall be used. The secretary shall maintain and cause to be published a list of approved protective headgear and of approved eye-protective devices. The secretary may prescribe by regulation minimum standards for other protective devices and require the use of those devices.

(4) As used in this chapter and KRS chapter 186, "motorcycle" means any motor driven vehicle having a seat or saddle for the use of the operator and designed to travel on not more than three wheels in contact with the ground, but excluding tractors and vehicles on which the operator and passengers ride in an enclosed cab and excluding a moped as defined in this section.

(5) "Moped" means a pedal bicycle with a helper motor *or a motorized bicycle with an electric starter* rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, [an automatic transmission] not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

Section 5. KRS 190.010 is amended to read as follows:

As used in KRS 190.010 to 190.080 unless the context requires otherwise:

(1) "Motor vehicle dealer" means any person not excluded by subsection (2) of this section who:

(a) For commission, money or other thing of value, is engaged in the business of selling, exchanging, buying, offering or attempting to negotiate a sale or exchange of an interest in motor vehicles; or

(b) Who is engaged wholly or in part in the business of selling motor vehicles, including motor driven cycles, whether or not such motor vehicles are owned by such person, firm or corporation.

(2) The term "motor vehicle dealer" does not include:

(a) Receivers, trustees, administrators, executors, guardians or other persons appointed by or acting under the judgment or order of any court, and any bank, trust company or lending institution which is subject to state or federal regulation as such, with regard to its disposition of repossessed motor vehicles;

(b) Public officers while performing their official duties; or

(c) Employes of persons enumerated in paragraphs (a) and (b) of this subsection, when engaged in the specific performance of their duties as such employes.

(3) "Motor vehicle salesman" means any person who is employed as a salesman by a motor vehicle dealer to sell motor vehicles.

(4) The term "board" means the motor vehicle dealers board.

(5) The term "commissioner" means the commissioner of vehicle regulation.

(6) "Motor vehicle" means any motor driven vehicle required to be registered or licensed before being operated upon the highways. Motor vehicle shall not include moped as defined in this section.

(7) "Moped" means a pedal bicycle with a helper motor *or a motorized bicycle with an electric starter* rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, [an automatic transmission] not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(8) The term "bureau" means the bureau of vehicle regulation.

(9) "Licensor" means either the commissioner or the bureau or both.

(10) "Manufacturer" means any person, resident or nonresident who manufactures or assembles motor vehicles.

(11) "Distributor" or "wholesaler" means a person, resident or nonresident who sells or distributes motor vehicles to licensed motor vehicle dealers, or who maintains distributor representatives.

(12) "Factory branch" means a branch office maintained by a person who manufactures or assembles motor vehicles, for the sale of motor vehicles to distributors, or for the sale of motor vehicles to motor vehicle dealers or for directing or supervising in whole or part, its representatives.

(13) "Distributor branch" means a branch office similarly maintained by a distributor or wholesaler for the same purposes.

(14) "Factory representative" means a representative employed by a person who manufactures or assembles motor vehicles or by a factory branch, for the purpose of making or promoting the sale of its motor vehicles, or for supervising or contacting its dealers or prospective dealers.

(15) "Distributor representative" means a representative similarly employed by a distributor, distributor branch or wholesaler.

(16) "Person" means a person, partnership, firm, corporation or association.

(17) The term "new motor vehicle" means a motor vehicle which, after its final assembly, is either in the possession of the manufacturer, factory branch or distributor, or an authorized dealer operating under a franchise with the manufacturer, factory branch or distributor, and the legal or equitable title to which has never been the subject of a sale or transfer other than to another dealer operating under a similar franchise with the same manufacturer, factory branch or distributor.

(18) The term "franchise" means any written contract, agreement, or license between a motor vehicle dealer and a manufacturer, factory branch or distributor of new motor vehicles by which the dealer is authorized to engage in the business of selling any specified make or makes of new motor vehicles.

Section 6. KRS 304.39-020 is amended to read as follows:

As used in this subtitle:

(1) "Added reparation benefits" mean benefits provided by optional added reparation insurance.

(2) "Basic reparation benefits" mean benefits providing reimbursement for net loss suffered through injury arising out of the operation, maintenance or use of a motor vehicle, subject, where applicable, to the limits, deductibles, exclusions, disqualifications and other conditions provided in this subtitle. The maximum amount of basic reparation benefits payable for all economic loss resulting from injury to any one person as the result of one (1) accident shall be ten thousand dollars ($10,000), regardless of the number of persons entitled to such benefits or the number of providers of security obligated to pay such benefits. Basic reparation benefits consist of one (1) or more of the elements defined as "loss."

(3) "Basic reparation insured" means:

(a) A person identified by name as an insured in a contract of basic reparation insurance complying with this subtitle; and

(b) While residing in the same household with a named insured, the following persons not identified by name as an insured in any other contract of basic reparation insurance complying with this subtitle: a spouse or other relative of a named insured; and a minor in the custody of a named insured or of a relative residing in the same household with the named insured if he usually makes his home in the same family unit, even though he temporarily lives elsewhere.

(4) "Injury" and "injury to person" mean bodily harm, sickness, disease, or death.

(5) "Loss" means accrued economic loss consisting only of medical expense, work loss, replacement services loss, and, if injury causes death, survivor's economic loss and survivor's replacement services loss. Noneconomic detriment is not loss. However, economic loss is loss although caused by pain and suffering or physical impairment.

(a) "Medical expense" means reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, and other remedial treatment and care. "Medical expense" may include non-medical remedial treatment rendered in accordance with a recognized religious method of healing. The term includes a total charge not in excess of one thousand dollars ($1,000) per person for expenses in any way related to funeral, cremation, and burial. It does not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semi-private accommodations, unless intensive care is medically required. Medical expense shall include all healing arts professions licensed by the Commonwealth of Kentucky. There shall be a presumption that any medical bill submitted is reasonable.

(b) "Work loss" means loss of income from work the injured person would probably have performed if he had not been injured, and expenses reasonably incurred by him in obtaining services in lieu of those he would have performed for income, reduced by any income from substitute work actually performed by him;

(c) "Replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed, not for income but for the benefit of himself or his family, if he had not been injured.

(d) "Survivor's economic loss" means loss after decedent's death of contributions of things of economic value to his survivors, not including services they would have received from the decedent if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of decedent's death.

(e) "Survivor's replacement services loss" means expenses reasonably incurred by survivors after decedent's death in obtaining ordinary and necessary services in lieu of those the decedent would have performed for their benefit if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of the decedent's death and not subtracted in calculating survivor's economic loss.

(6) "Use of a motor vehicle" means any utilization of the motor vehicle as a vehicle including occupying, entering into and alighting from it. It does not include (i) conduct within the course of a business of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises, or (ii) conduct in the course of loading and unloading the vehicle unless the conduct occurs while occupying, entering into, or alighting from it.

(7) "Motor vehicle" means any vehicle which transports persons or property upon the public highways of the Commonwealth, propelled by other than muscular power except road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails and such vehicles as are propelled by electrical power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the said limits of any municipality. Motor vehicle shall not mean moped as defined in this section.

(8) "Moped" means a pedal bicycle with a helper motor *or motorized bicycle with an electric starter* rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, [an automatic transmission] not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;

(9) "Public roadway" means a way open to the use of the public for purposes of motor vehicle travel.

(10) "Net loss" means loss less benefits or advantages, from sources other than basic and added reparation insurance, required to be subtracted from loss in calculating net loss.

(11) "Noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and other nonpecuniary damages recoverable under the tort law of this Commonwealth. The term does not include punitive or exemplary damages.

(12) "Owner" means a person, other than a lienholder or secured party, who owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle subject to a security interest held by another person. The term does not include a lessee under a lease not intended as security.

(13) "Reparation obligor" means an insurer, self-insurer, or obligated government providing basic or added reparation benefits under this subtitle.

(14) "Survivor" means a person identified in KRS 411.130 as one entitled to receive benefits by reason of the death of another person.

(15) A "user" means a person who resides in a household in which any person owns or maintains a motor vehicle.

(16) "Maintaining a motor vehicle" means having legal custody, possession or responsibility for a motor vehicle by one other than an owner or operator.

(17) "Security" means any continuing undertaking complying with this subtitle, for payment of tort liabilities, basic reparation benefits, and all other obligations imposed by this subtitle.

The Committee Amendment No. 1 to **HB 881** is as follows:

Amend printed copy of **HB 881**, on page 1, line 14, after the word "motor" delete "*or a motorized bicycle with an electric starter*"

and on page 5, line 12, after the word "motor" delete "*or a motorized bicycle with an electric starter*"

and on page 8, line 15, after the word "motor" delete "*or a motorized bicycle with an electric starter*"

and on page 12, line 1, after the word "motor" delete "*or a motorized bicycle with an electric starter*"

and on page 13, line 7, after the word "motor" delete "*or a motorized bicycle with an electric starter*"

and on page 20, line 2, after the word "motor" delete "*or a motorized bicycle with an electric starter*".

The Committee on State Government reported **HB 275** with Committee Amendment attached thereto, **HB 574** with Committee Amendments attached thereto, **HB 732, HB 858** with Committee Amendment attached thereto, **HB 859, HB 877** with Committee Amendment attached thereto, **HB 913,** and **HCR 88** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 275, AN ACT relating to archaeology and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.705 is amended to read as follows:

It is hereby declared to be the public policy of the commonwealth to preserve archaeological sites and objects of antiquity for the public benefit, [and] to limit exploration, excavation and collection of such matters to qualified persons and educational institutions possessing the requisite skills and purpose to add to the general store of knowledge concerning history, archaeology, [and] anthropology, *and paleontology, to assist all agencies of state and local government in the identification and protection of archaeological sites and objects of antiquity, to inform the citizens of the Commonwealth of their cultural heritage and to encourage favorable public attitudes toward the conservation of archaeological sites.*

Section 2. KRS 164.710 is amended to read as follows:

As used in KRS 164.705 to 164.735, *and in this Act,* unless the context otherwise requires:

(1) "Archaeological site" means any place, *fifty (50) years old or older,* where articles of value in the scientific study of historic or prehistoric human life and activities may be found, such as, *but not limited to, historic or prehistoric ruins, mounds, forts, village locations, burial grounds, mines, caves, and bone deposits which are or may be the source of artifacts, or any place where individual artifacts may be found* [mounds, earthworks, forts, mines, burial grounds, graves and village or camp sites of Indians or any aboriginal race or pioneers]. *The office of state archaeology may further define and interpret archaeological site through administrative regulations.*

(2) "Object of antiquity" means *all relics, specimens, or objects, fifty (50) years old or older, of a historical, prehistorical, archaeological, anthropological, or paleontological nature, which may be found above, on, or below the surface of the earth, and which have scientific or historic value as objects of antiquity, or as archaeological specimens* [a ruin, monument, relic, bone deposit, artifact or any product of human workmanship of Indians or any aboriginal race or pioneers].

(3) *"State archaeologist" means the person appointed by the department of anthropology of the University of Kentucky to administer the provisions of this Act including the office of state archaeology. The state archaeologist:*

(a) Must qualify for and maintain nationally recognized professional credentials in archaeology as specified in regulations;

(b) Shall not serve on either the Kentucky heritage commission or the state historic preservation review board;

(c) Shall regularly report to the Kentucky heritage commission and the state historic preservation officer on the activities of the office of state archaeology ["Department" means the department of anthropology of the University of Kentucky].

(4) "Office of state archaeology" means that office at the University of Kentucky which:

(a) Coordinates the Commonwealth's programs of archaeological research and development and ensures that the applicable provisions of the laws of the Commonwealth are complied with;

(b) Promulgates regulations in accordance with KRS 13.085 to include but not limited to a definition of archaeological site, professional credentials of the state archaeologist, qualifications for professional competence of persons who can obtain permits for archaeological exploration and field investigations, and minimum requirements of reports required for archaeological exploration and field investigations;

(c) Assists agencies of state and local government in the identification and protection of archaeological sites on lands under their jurisdiction;

(d) Maintains direct liaison between professional and non-professional archaeologists regarding the archaeological programs of the Commonwealth and the needs of archaeological conservation;

(e) Maintains a system of records and files on all archaeological sites which are presently known in the Commonwealth and systematically records all future discoveries in those files; and

(f) Informs the citizens of the Commonwealth regarding their cultural heritage and encourages favorable attitudes toward the conservation of archaeological sites.

(5) "State land" means land owned or leased by the Commonwealth or any state agency or any political subdivision or municipal corporation of the Commonwealth.

Section 3. KRS 164.720 is amended to read as follows:

(1) No person shall explore, excavate, appropriate or remove from *state* land [owned or leased by the commonwealth or any state agency or any political subdivision or municipal corporation of the commonwealth,] any archaeological site or object of antiquity without first obtaining a permit from the *state archaeologist* [department of anthropology] upon the recommendation of the agency owning or having control of the land upon which the same is situated.

(2) *The state archaeologist shall regularly issue permits for archaeological exploration and field investigations to be undertaken on state lands to persons whom the state archaeologist may deem to be properly qualified to conduct such activity* [If exploration or excavation of archaeological sites and the finding and gathering of objects of antiquity is undertaken for the benefit of reputable museums, universities, colleges or other recognized scientific or educational institutions with a view to promoting the knowledge of archaeology or anthropology, permits shall be regularly granted]. *Qualifications for professional competencies shall be described in regulations.*

(3) *Work performed under permits shall conform to recognized standards for archaeological research as included and defined in regulations* [Each permit issued by the department under this section shall accurately describe the location and sites of the ruins or deposits where the exploration or excavation is to be conducted and shall authorize such actions only at such location. The permit shall be upon such conditions as the department shall deem advisable for maximum effective exploration with a minimum of injury to the surrounding terrain]. Each permit shall terminate upon the following thirty-first day of December, subject to an annual renewal on or before the following January 15. However, any permit may be revoked by the *state archaeologist* [department] at any time upon finding that explorations or excavations authorized by the permit are not being conducted lawfully or properly in accordance with *the specific* [its] terms *of the permit as issued.*

Section 4. KRS 164.725 is amended to read as follows:

The *state archaeologist* [department] may designate archaeological sites and objects of antiquity and cause to be posted at the locations thereof appropriate signs or markers.

Section 5. KRS 164.730 is amended to read as follows:

Any person who discovers an archaeological site or object of antiquity *on state land* in the course of construction work *or permitted activity covered by ordinance or regulation,* or otherwise *and any person who has knowledge of such discovery,* shall report *the* [such] discovery to the *state archaeologist* [department].

Section 6. KRS 164.735 is amended to read as follows:

The *state archaeologist* [department] may enter into contracts or cooperative agreements with private landowners relating to the preservation and proper exploration of any archaeological site or object of antiquity situated on such private land. The *office of state archaeology* [department] may acquire, with any funds available to it for such purpose, *easement of* title to any real estate upon which is located an archaeological site or object of antiquity which the *state archaeologist* [department] determines [it] is important to be preserved.

SECTION 7. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

When transferring real property or easements under its jurisdiction that contain significant archaeological, anthropological, or paleontological resources, the state, its agencies, departments and institutions, may, upon the recommendation of the state archaeologist, condition the transfer upon such covenants, easements, deed restrictions, or other contractual arrangements as will limit the future use of the property in such a way as will protect those resources.

SECTION 8. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

Upon written notice from the state archaeologist to the department of finance, the secretary of the department of finance shall temporarily reserve from sale any state land on which archaeological sites or objects of antiquity are located or may be found as designated by the state archaeologist; provided, however, that the reservation of such lands from sale may be confined to the actual location of the archaeological site or object of antiquity. Upon such reservation, the state archaeologist shall expeditiously explore, excavate, or otherwise examine the site or objects and, following an assessment of the archaeological significance of said site or objects, file with the secretary a statement releasing such lands.

SECTION 9. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

All state agencies, departments, institutions, and commissions shall cooperate fully with the state archaeologist in the conservation, protection, excavation, and evaluation of objects of antiquity and archaeological sites; and to that end:

(1) When any state, county or municipal agency finds or is made aware that its operation in connection with any state, state-assisted, state-licensed, state permitted, or contracted project, activity, or program adversely affects or may adversely affect archaeological data, such agency shall notify the office of state archaeology and shall provide said office with appropriate information concerning the project, program, or activity. The provisions of this Act shall be made known to contractors by the state agencies doing the contracting.

(2) The office of state archaeology, upon notification or determination that an archaeological site or object of antiquity is or may be adversely affected, shall conduct a survey or other investigations to determine if the archaeological site or object of antiquity should be recovered, preserved or otherwise protected for the public interest.

(3) The office of state archaeology shall initiate actions within sixty (60) days of notification under subsection (1) or within such time as agreed upon in other cases. The responsible agency is authorized to expend agency funds for the purpose of recovering said data, including analysis, publications and curation, and such costs shall be included as part of the contractor's costs if the adverse effect is caused by work being done under contract to a state agency.

Section 10. To carry out the purposes of this Act, there is appropriated to the office of state archaeology at the University of Kentucky, out of the general fund, the sum of fifty thousand dollars ($50,000) for the fiscal year 1980-81 and the sum of fifty thousand dollars ($50,000) for the fiscal year 1981-82.

The Committee Amendment No. 1 to **HB 275** is as follows:

Amend printed copy of **HB 275,** page 9, lines 19 through 24, by deleting lines 19 through 24 in their entirety.

HB 574, AN ACT relating to retirement benefits.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 16.505 is amended to read as follows:

As used in KRS 16.510 to 16.652, unless the context otherwise requires:

(1) "System" means the state police retirement system created by KRS 16.510 to 16.652;

(2) "Board" means the board of trustees of the Kentucky retirement systems;

(3) "Employer" or "state police" means the bureau of state police, or its successor;

(4) "Current service" means the number of years and completed months of employment as an employe subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employe contributions deducted except as otherwise provided in KRS 16.541;

(5) "Prior service" means the number of years and completed months of employment as an employe prior to July 1, 1958, for which creditable compensation was paid to the employe by the Commonwealth;

(6) "Service" means the total of current service and prior service;

(7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, together with interest credited on such amounts as provided in KRS 16.510 to 16.652, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(8) "Creditable compensation" means all salary and wages paid to the employe as a result of services performed for the employer; living allowances, expense reimbursements, payments received after the date of termination of employment for accrued vacation leave, and other such items as are determined by the board shall be excluded;

(9) "Final compensation" at any time means the creditable compensation of a member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such five (5) year period multiplied by twelve (12); such five (5) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one or more additional fiscal years shall be used;

(10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: 1,950 hours, 260 days, 52 weeks, 12 months, or one year;

(11) "Retired member" means any member entitled to receive benefits under the provisions of KRS 16.510 to 16.652;

(12) "Retirement allowance" means the retirement payments to which a retired member is entitled;

(13) "Actuarially equivalent benefits" means benefits which are of equal value when computed upon the basis of such actuarial tables as are adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employe in accordance with the personnel policy of the bureau of state police;

(15) "Normal retirement date" means the first day of the month following [or coinciding with] a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959. A member with *twenty-five (25)* [thirty (30)] or more years of service credit at least fifteen (15) of which are current may declare his "normal retirement date" to be some date prior to his fifty-fifth birthday. *Members of the Kentucky employes retirement system and the county employes retirement system covered by this section who have completed thirty (30) years of service, at least fifteen (15) of which are current, may declare their "normal retirement date" to be some date prior to their fifty-fifth birthday*;

(16) "Disability retirement date" means the first day of the month following total and permanent disability or partial disability;

(17) "Dependent child" means a child en ventre sa mere and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student, as defined in the federal social security act, who has not attained age twenty-two (22);

(18) "Optional allowance" means an actuarially equivalent benefit elected by the member in lieu of all other benefits provided by KRS 16.510 to 16.652;

(19) "Disability ratio" means that percentage determined by the board as being applicable to the degree of disability suffered or incurred by a member;

(20) "Act in line of duty" means an act occurring or a thing done, which, as determined by the board, was required in the performance of duty;

(21) "Early retirement date" means the retirement date declared by a member who is not less than fifty (50) years of age and has twenty (20) years of service;

(22) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535; and

(23) "Regular full-time officers" means the occupants of positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time.

Section 2. KRS 16.591 is amended to read as follows:

(1) In the event disability is partial as provided in subsections (1) and (2) of KRS 16.586 and as determined by the board, a member shall be eligible to receive benefits under subsection (2) of KRS 16.581 except that the monthly retirement allowance shall be reduced by his disability ratio.

(2) In event disability is partial as provided in subsection (3) of KRS 16.586 and as determined by the board, the retirement allowance of such member shall be reduced by his disability ratio. Reduced payments shall begin in the month following the termination of payments under total and permanent disability.

(3) *In the event that disability occurred as a direct result of an "act in the line of duty," and the board determines that the disability is partial but at the time of determination the board assigns a disability*

ratio of one hundred percent (100%), then dependent children of the member shall be eligible for benefits provided pursuant to KRS 16.581(1)(b).

(4) No benefit provided in this section shall be reduced as a result of any change in the extent of disability of any retired member who is age fifty-five (55) or over.

(5)[(4)] In lieu of the allowances provided by subsections (1) and (2) of this section, the member may be retained on the regular payroll and receive the compensation authorized by KRS 16.165, if he qualifies therefor.

Section 3. KRS 16.541 is amended to read as follows:

(1) Any person who prior to July 1, 1976, left the state police or its predecessor in order to enter the armed forces of the United States and who is re-employed by the state police after the effective date of the system is entitled to have credited as current service his period of service in such armed forces, not to exceed six (6) years, provided he applies for reinstatement within two (2) years of discharge, which must be honorable, or within two (2) years of a subsequent termination of any total disability, and, subject to the approval of the state police personnel board, is re-employed.

(2) Any person who prior to the effective date of the system left the state police or its predecessor in order to enter the armed forces of the United States and who was re-employed within two (2) years after his honorable discharge therefrom prior to the effective date of the system shall be entitled to have credited as service his period of service in the armed forces, not to exceed six (6) years.

(3) Any member upon completion of five (5) years of service shall receive current service for a maximum of four (4) years for his period of service in the armed forces of the United States, if his discharge therefrom is honorable and he has not been credited with such service under subsections (1) and (2) of this section provided he pays thirty-five percent (35%) of the cost of such service based on the formula adopted by the board; however, members who were taken prisoner by a hostile power at any time during their active military service shall receive current service credit without payment of the thirty-five percent (35%). The payment by the member shall be deposited to his individual member's account. The remaining sixty-five percent (65%) shall be paid by the state from funds appropriated specifically for such purpose and these payments shall be deposited to the retirement allowance account. If no funds are available in the special appropriation account the board shall not accept employe payments until such time funds are available in the account.

(4) Effective July 1, 1978, no veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for such pension in the future. *Nothing in this section shall prohibit such purchase of credit where the military pension results from service primarily on inactive duty in a reserve component of the armed forces, or where the military pension is for a veteran sixty-five (65) years of age or older who is considered permanently and totally disabled.*

Section 4. KRS 16.576 is amended to read as follows:

(1) A member shall terminate employment on his normal retirement date.

(2) Any member with at least five (5) years of service credit may retire at his normal retirement date, or subsequent thereto, upon written notification to the board, setting forth at what time the retirement is to become effective, provided that such effective date shall be after his last day of service and subsequent to the filing of such notice.

(3) The member shall have the right to elect to have his retirement allowance payable under subsection (4), *(5)* or *(7)*[(6)] of this section or any one (1) of the plans set forth in KRS 61.635.

(4) The member may elect to receive an annual retirement allowance, payable monthly during his lifetime, equal to two and twenty-five hundredths per cent (2.25%) of final compensation for each year of service credit.

(5) *The member may elect to receive a monthly retirement allowance payable for ten (10) years certain, actuarially equivalent to the retirement allowance payable under subsection (4) of this section. If the member should become deceased prior to the expiration of ten (10) years, his beneficiary shall receive the remaining payments monthly for the duration of the ten (10) years.*

(6) Notwithstanding any other provisions of this section, upon written notification to the board, a member shall have the option to defer his election to receive his retirement allowance. The retirement allowance payable under a deferred option shall be increased to reflect the deferred receipt of benefits.

(7)[(6)] In lieu of any other benefits due under KRS 16.505 to 16.652 a member who has attained age fifty-five (55) may elect to receive an annual retirement allowance, payable monthly or less frequently as determined by the board, which shall be determined by multiplying his accumulated contributions by two (2) and converting this amount to an annual retirement allowance based on an annuity rate adopted by the board which would pay the actuarial equivalent of twice his accumulated contributions over the lifetime of the retired member.

Section 5. KRS 16.578 is amended to read as follows:

(1) If a member, eligible to retire as provided in KRS 16.576, dies at any time before the first benefit payment has been drawn by the state treasurer and has on file with the board at the time of his death a

written designation of a beneficiary, then said beneficiary may elect to receive an annual benefit payable monthly which shall be equal to the benefit that would have been paid had the member retired immediately prior to his date of death and elected to receive payments under subsection (2) of KRS 61.635 or the said beneficiary may elect the actuarial equivalent payable for one hundred twenty (120) months certain, *or the said beneficiary may elect to receive the beneficiary social security adjustment payment under subsection (7) of KRS 61.635.*

(2) If a member in active employment or on authorized leave of absence with five (5) or more years of service dies at any time before his normal retirement date and has on file with the board at the time of his death a written designation of a beneficiary, then said beneficiary may elect to receive an annual benefit payable monthly commencing in the month following the member's death which shall be equal to the benefit the member would have been entitled to receive, based on his age, years of service and final compensation at the date of his death, had the member been eligible for retirement and had he chosen benefits payable under subsection (2) of KRS 61.635 or the said beneficiary may elect the actuarial equivalent payable for one hundred twenty (120) months certain, *or the said beneficiary may elect to receive the beneficiary social security adjustment payment under subsection (7) of KRS 61.635.*

(3) If a member, not in active employment nor on authorized leave of absence with twelve (12) or more years of service, dies at any time before his normal retirement date and has on file with the board at the time of his death a written designation of a beneficiary, then said beneficiary may elect to receive an annual benefit payable monthly commencing in the month following the member's death which shall be equal to the benefit the member would have been entitled to receive, based on his age, years of service and final compensation at the date of his death, had the member been eligible for retirement and had he chosen benefits payable under subsection (2) of KRS 61.635 or the said beneficiary may elect the actuarial equivalent payable for one hundred twenty (120) months certain, *or the said beneficiary may elect to receive the beneficiary social security adjustment payment under subsection (7) of KRS 61.635.*

(4) An alternative calculation of benefits payable to the beneficiary under subsection (1) or (2) or (3) of this section shall be determined by computing an annual benefit payable commencing in the month following the member's death which shall be equivalent to the benefit the member would have been entitled to receive based on his years of service and final compensation at the date of his death reduced by the survivorship fifty per cent (50%) factor as provided for in KRS 61.635(4), then reduced by fifty per cent (50%) and the actuarial equivalent payable for one hundred twenty (120) months certain shall be determined, *or the said beneficiary may elect to receive the beneficiary social security adjustment payment under subsection (7) of KRS 61.635.*

(5) The highest monthly benefit determined under subsection (1) or (2) or (3) or (4) of this section for a life annuity or for payments for one hundred twenty (120) months certain shall be tendered to the beneficiary.

Section 6. KRS 61.510 is amended to read as follows:

As used in KRS 61.515 to 61.692, unless the context otherwise requires:

(1) "System" means the Kentucky employes retirement system created by KRS 61.515 to 61.692;

(2) "Board" means the board of trustees of the system as provided in KRS 61.645;

(3) "Department" means any state department or board or agency participating in the system in accordance with appropriate executive order, as provided in KRS 61.520. For purposes of KRS 61.515 to 61.692, the members, officers and employes of the general assembly and any other body, entity or instrumentality designated by executive order by the governor, shall be deemed to be a department notwithstanding whether said body, entity or instrumentality is an integral part of state government;

(4) "Examiner" means the medical examiner or examiners as provided in KRS 61.665;

(5) "Employe" means the members, officers and employes of the general assembly and every regular full-time appointed or elective officer or employe of a participating department, including the department of military affairs. The term shall not, however, include persons engaged as independent contractors, seasonal, emergency, temporary and part-time workers. In case of any doubt, the board shall determine if a person is an employe within the meaning of KRS 61.515 to 61.692;

(6) "Employer" means a department or any authority of such department having the power to appoint or select an employe in such department, including the senate and the house of representatives;

(7) "State" means the Commonwealth of Kentucky;

(8) "Member" means any employe who is included in the membership of the system or any former employe whose membership has not been terminated under KRS 61.535;

(9) "Service" means the total of current service and prior service as defined herein;

(10) "Current service" means the number of years and months of employment as an employe, on and after July 1, 1956, (except that for members, officers and employes of the general assembly this date shall be January 1, 1960) for which creditable compensation is paid and employe contributions deducted except as otherwise provided in KRS 61.552(7) and KRS 61.555, and each member, officer and employe of the general assembly shall be credited with a month of current service for each month he occupies such position during a legislative biennium subsequent to January 1, 1960;

(11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, prior to July 1, 1956, for which creditable compensation was paid; except that, for members, officers and employes of the general assembly this date shall be January 1, 1960. An employe shall be credited with one (1) month of prior service only in those months he received compensation for at least one hundred (100) hours of work; provided, however, that each member, officer and employe of the general assembly shall be credited with a month of prior service for each month he occupied such position during a legislative biennium prior to January 1, 1960;

(12) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, together with interest credited on such amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(13) "Creditable compensation" means all salary, wages and fees paid to the employe as a result of services performed for the employer, except that for members of the general assembly it shall mean an assumed salary of $18,000 per annum which shall include per diem and expense payments authorized by KRS Chapter 6. The creditable compensation of members, officers and employes of the general assembly shall be calculated as having been received in equal amounts for each month of the biennium. In cases where compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money;

(14) "Final compensation" of a member means the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five (5) year period multiplied by twelve (12). Said five (5) years may be fractional and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one or more additional fiscal years shall be used;

(15) "Final rate of pay" means the actual rate upon which earnings of an employe were calculated during the twelve (12) month period immediately preceding the member's effective retirement date except for members of the general assembly the "final rate of pay" shall be the creditable compensation. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate; 1,950 hours, 260 days, 52 weeks, 12 months, one year;

(16) "Retirement allowance" means the retirement payments to which a member is entitled;

(17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such actuarial tables as are from time to time adopted by the board except in cases of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(18) "Normal retirement date" means the sixty-fifth birthday of a member unless otherwise provided in KRS 61.515 to 61.692;

(19) "Fiscal year" of the system means the twelve (12) months from July 1, through the following June 30;

(20) "Officers and employes of the general assembly" means the occupants of those positions enumerated in KRS 6.150 and the assistants if employed by the general assembly for at least six (6) legislative bienniums; [and]

(21) "Regular full-time positions" as used in subsection (5) of this section shall mean all positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time, all positions of local health departments meeting the definitions as set forth in KRS chapter 18 of provisional full-time, probationary full-time and permanent full-time and all other positions except:

(a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year;

(b) Emergency positions which are positions which do not exceed thirty (30) working days and are nonrenewable;

(c) Temporary positions which are positions of employment with a participating department for a period of time not to exceed six (6) months in any event and not renewable;

(d) Part-time positions which are positions which may be permanent in duration, but which require less than an annual or fiscal year average of one hundred (100) hours of work per month in the performance of duty;

(22) "Delayed contribution payment" means an amount paid by an employe for current service obtained under KRS 61.552. Such amount shall be determined using the same formula adopted by the board for purchase of service under KRS 61.552(7) except the employe shall pay a single payment of 50% of the total cost of such service with no cost to the employer. A delayed contribution payment shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. *In determining payments under this subsection, the formula found in this subsection shall prevail over the one found in KRS 212.434*; *and*

(23) "Parted employer" means a department, portion of a department, board or agency (such as Outwood Hospital and School) which previously participated in the system, but due to lease, or other contractual arrangement is now operated by a publicly held corporation or other similar organization, and therefore, no longer participating in the system.

Section 7. KRS 61.555 is amended to read as follows:

(1) Prior to July 1, 1976, any employe entering the armed forces of the United States after he first participates in the system, being on leave of absence from service and not withdrawing his accumulated contributions, shall be entitled to have credited as current service his period of service in the armed forces of the United States, not to exceed six (6) years, if his discharge therefrom is honorable and he is re-employed within two (2) years after discharge, or upon the subsequent termination of any total disability which existed at the expiration of the two (2) years after discharge.

(2) Any member of the system who, prior to the date he first participated in the system, terminated his employment in order to enter the armed forces of the United States and who was or is re-employed within two (2) years after his honorable discharge therefrom, or upon the subsequent termination of any total disability which existed at the expiration of the two (2) years after discharge, shall be entitled to have credited as prior service his period of service in the armed forces, not to exceed six (6) years.

(3) Any national guard technician involuntarily serving on active military duty during the period between January 26, 1968, and January 1, 1970, who completes his eight (8) years service while on military duty during this period, shall have that portion of his service, necessary to the completion of eight (8) years current service, credited to his account, as current service without having to meet the re-employment criteria.

(4) Any employe eligible for retirement as prescribed in KRS 61.559 or any employe upon completion of five (5) years of service shall receive current service credit for a maximum of four (4) years for his period of service in the armed forces of the United States, if his discharge therefrom is honorable and he has not been credited with such service under subsections (1) to (3) of this section provided he pays thirty-five percent (35%) of the cost of such service based on the formula adopted by the board. The payment by the member shall be deposited to his individual member's account. The remaining sixty-five percent (65%) shall be paid by the state from funds appropriated specifically for such purpose and these payments shall be deposited to the respective retirement allowance accounts. If no funds are available in the special appropriation account the board shall not accept employe payments until such time as funds are available in the account.

(5) A member eligible to purchase military service credit under subsection (4) of this section shall receive current service credit for military service as provided under subsection (4) of this section without payment of the current employe contribution ratio if such member was taken prisoner by a hostile power at any time during active military service.

(6) Effective July 1, 1978, no veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for such pension in the future. Provided, that nothing in this section shall prohibit such purchase of credit where the military pension results from service primarily on inactive duty in a reserve component of the armed forces, *or where the military pension is for a veteran sixty-five (65) years of age or older who is considered permanently and totally disabled.*

Section 8. KRS 61.560 is amended to read as follows:

(1) Each employe shall, commencing on July 1, 1966, contribute for each pay period for which he receives compensation four per cent (4%) of his creditable compensation. *Any other provisions of KRS 61.510 through 61.702 notwithstanding, any re-employed retiree, as described in KRS 61.637, shall contribute four percent (4%) of his creditable compensation, or the amount required by KRS 61.592(3) if applicable, if he anticipates that he will receive more than the maximum permissible earnings, as provided by the federal social security act, in compensation as a result of re-employment during the calendar year.*

(2) Each employer shall cause to be deducted from the creditable compensation of each employe for each and every payroll period the contribution payable by each such employe as provided in KRS 61.510 to 61.692.

(3) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any employe shall be reduced thereby. Every employe shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation less such deductions shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 61.510 to 61.692.

Section 9. KRS 61.592 is amended to read as follows:

(1) "Hazardous position" means any position whose principal duties involve active law enforcement, active fire suppression or prevention, or other positions, including but not limited to pilots of the department of transportation, with duties that require frequent exposure to a high degree of danger or peril and also require a high degree of physical conditioning.

(2) Each employer shall certify to the board in the manner prescribed by the board, the names of all employes deemed by the employer to be working in a hazardous position as defined in subsection (1) of this section. The certification of the employer shall bear the approval of the agent or agency responsible for

the budget of the department or county indicating that the required employer contributions have been provided for in the budget of the employing department or county. The board shall determine whether the employes whose names have been certified by the employer are working in positions meeting the definition of a hazardous position as provided by subsection (1) of this section.

(3) (a) An employe determined by the board to be working in a hazardous position in accordance with subsection (2) of this section shall contribute for each pay period for which he receives compensation, seven percent (7%) of his creditable compensation;

(b) Each employer shall pay employer contributions based on the creditable compensation of the employes determined by the board to be working in a hazardous position at the employer contribution rate as determined by the board. Such rate will be determined by actuarial methods consistent with the provisions of KRS 61.565;

(c) In the event the employer participated in the system prior to electing hazardous duty coverage, then said employer may pay to the system an additional lump sum payment in order that the non-hazardous service be credited as hazardous service. Should the employer elect not to make the additional payment, then the employe may make the lump sum payment in his own behalf. If neither the employer nor employe makes the payment, the service prior to hazardous coverage shall remain non-hazardous.

(4) The normal retirement age, retirement allowance and other benefits, eligibility requirements, rights and responsibilities of a member in a hazardous position, as prescribed by subsections (1), (2) and (3) of this section, and the responsibilities, rights and requirements of his employer shall be as prescribed for a member and employer participating in the state police retirement system as provided for by KRS 16.505 to 16.652, except the mandatory retirement provisions of KRS 16.576(1) and the maximum employment age in KRS 16.520(2) shall not be applicable.

(5) Any person employed in a hazardous position after July 1, 1972 shall be required to undergo a thorough medical examination by a licensed physician, and a copy of the medical report of the physician shall be retained on file by the employe's department or county and made available to the board upon request.

(6) In the event of doubt regarding the benefits payable to a hazardous position employe under this section, the board shall determine the benefits payable under KRS 61.510 to 61.692 or 78.510 to 78.852 or 16.505 to 16.652.

Section 10. KRS 61.626 is amended to read as follows:

(1) The accumulated contributions of a member not in service may be transferred from the member account to the retirement allowance account if the member's account *has remained inactive* [is no longer eligible for interest] and [if] the board has been unable to locate the member *for a period of seven (7) years.*

(2) If the member or his beneficiary, in the event of his death, requests benefits as provided by KRS 61.510 to 61.692 and 16.505 to 16.652 and 78.510 to 78.852 the transfer shall be reversed, and benefits paid in accordance with the provisions of KRS 61.510 to 61.692 and 16.505 to 16.652 and 78.510 to 78.852.

Section 11. KRS 61.635 is amended to read as follows:

(1) Each member shall have the right to elect to have his retirement allowance payable under any one (1) of the options set forth in this section in lieu of the retirement allowance otherwise payable to him upon retirement under any of the provisions of KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852. The amount of any such optional retirement allowance shall be actuarially equivalent to the amount of retirement allowance otherwise payable to him.

(2) Survivorship one hundred percent (100%). The member may elect to receive a decreased retirement allowance during his lifetime and have such retirement allowance continued after his death to his beneficiary during the lifetime of such person.

(3) Survivorship sixty-six and two-thirds percent (66 ⅔%). The member may elect to receive a decreased retirement allowance during his lifetime and have two-thirds (⅔) of such retirement allowance continue after his death to his beneficiary during the lifetime of such person.

(4) Survivorship fifty percent (50%). The member may elect to receive a decreased retirement allowance during his lifetime and have one-half (½) of such retirement allowance continued after his death to his beneficiary during the lifetime of such person.

(5) Life with ten (10) years certain. The member may elect to receive a monthly retirement allowance during his lifetime which shall quarantee payments for one hundred and twenty (120) months. If the member should become deceased before receiving payments for one hundred and twenty (120) months, his beneficiary shall receive the remaining payments monthly for the duration of the one hundred and twenty (120) months period, except if the estate is designated as beneficiary the executor or administrator of the estate may elect to receive a lump sum payment which shall be the actuarial equivalent to the remaining payments, or said executor or administrator may elect to continue the remaining monthly payments to the estate of the member.

(6) Social security adjustment options. These options are available to any member who has not attained age 62 as follows:

(a) No survivor rights. The member may elect to receive an increased retirement allowance from his effective retirement date through the month he attains age sixty-two (62) at which time his retirement allowance shall be decreased for the remainder of his lifetime.

(b) Survivor rights. The member may elect to receive an increased retirement allowance from his effective retirement date through the month he attains age sixty-two (62) based on the option payable under subsection (2) of this section, provided the retirement allowance shall be decreased in the month following the month he attains age sixty-two (62), or the month following the month he would have attained age sixty-two (62), in event of his death, and have such retirement allowance continue after his death to his beneficiary during the lifetime of such person.

(7) *Beneficiary social security adjustment option. This option is available to the beneficiary of a deceased member where such beneficiary has not attained age sixty (60), and is eligible to receive social security payments at age sixty (60). The beneficiary may elect to receive during his lifetime an increased retirement allowance based on his annual benefit payable for life. Such payment shall begin on his effective retirement date and continue through the month he attains age sixty (60) at which time his retirement allowance shall be decreased for the remainder of his lifetime.*

(8) Partial deferred. The member may elect to receive during his lifetime a decreased retirement allowance, as determined by the member, from his effective retirement date through the month he attains age sixty-two (62), with an increased retirement allowance thereafter provided, however, that the member has one election to increase his allowance prior to attainment of age sixty-two (62) on any annual anniversary date prior to attaining age sixty-two (62).

(9)[(8)] In addition to the optional forms of annuities permitted under this section the board may establish such additional optional forms of annuities as it deems desirable. Such additional forms of annuities shall be based on actuarial equivalent values, with due regard to selection against the fund.

Section 12. KRS 61.637 is amended to read as follows:

(1) A retired member who is receiving monthly retirement payments under any of the provisions of KRS 61.510 to 61.692 and 78.510 to 78.852 and who is reemployed as an employe by a participating agency shall have his retirement payments suspended for the duration of such reemployment. Monthly payments shall not be suspended for a retired member who is reemployed [in a seasonal, emergency, temporary, part-time, or full-time position] if he anticipates that he will receive less than the maximum permissible earnings as provided by the Federal Social Security Act in compensation as a result of reemployment during the calendar year. The payments shall be suspended at the beginning of the month in which the reemployment occurs.

(2) Employer and employe contributions shall be made as provided in KRS 61.510 to 61.692 and 78.510 to 78.852 on the compensation paid during such reemployment except where monthly payments were not suspended as provided in subsection (1) of this section and the member shall be credited with additional service credit.

(3) In the month following the termination of reemployment, retirement allowance payments shall be reinstated under the plan under which the member was receiving payments prior to reemployment.

(4) (a) Notwithstanding the provisions of this section, the payments suspended in accordance with subsection (1) of this section shall be paid retroactively to the retired member, or his estate, provided he does not receive more than the maximum permissible earnings as provided by the Federal Social Security Act in compensation from participating agencies during any calendar year of reemployment.

(b) In the event the retired member is paid suspended payments retroactively in accordance with this section, employe contributions deducted during his period of reemployment, if any, shall be refunded to the retired employe and no service credit shall be earned for the period of reemployment.

(c) In the event the retired member is not eligible to be paid suspended payments for his period of reemployment as an employe, his retirement allowance shall be recomputed under the plan under which the member was receiving payments prior to reemployment as follows:

1. The retired member's final compensation shall be recomputed using creditable compensation for his period of reemployment; however, the final compensation resulting from the recalculation shall not be less than that of the member when his retirement allowance was last determined.

2. If the retired member initially retired on or subsequent to his normal retirement date his retirement allowance shall be recomputed by using the formula in subsection (1) of KRS 61.595.

3. If the retired member initially retired prior to his normal retirement date his retirement allowance shall be recomputed using the formula in subsection (2) of KRS 61.595, except that the member's age used in computing benefits shall be his age at the time of his initial retirement increased by the number of months of service credit earned for service performed during reemployment.

4. The retirement allowance payments resulting from the recomputation under this subsection shall be payable in the month following the termination of reemployment in lieu of payments under subparagraph 3 provided, however, the member shall not receive less in benefits as a result of the recomputation than he was receiving prior to reemployment or would receive as determined under KRS 61.691.

5. Any retired member who was reemployed prior to March 26, 1974 shall begin making contributions to the system in accordance with the provisions of this section on the first day of the month following March 26, 1974.

(5) A retired member, or his estate, shall pay to the retirement fund the total amount of payments which are not suspended in accordance with subsection (1) of this section if the member received more than the maximum permissible earnings as provided by the Federal Social Security Act in compensation from participating agencies during any calendar year of reemployment, except such retired member or his estate may repay the lesser of the total amount of payments which were not suspended or fifty (50) cents of each dollar earned during reemployment over the maximum permissible earnings.

(6) (a) "Reemployment" or "reinstatement" as used in this section shall not include a retired member who has been ordered reinstated by the personnel board under authority of KRS 18.270.

(b) A retired member who has been ordered reinstated by the personnel board under authority of KRS 18.270 and accepts employment by an agency participating in the Kentucky employes retirement system shall void his retirement by reimbursing the system in the full amount of his retirement allowance payments received.

(7) In the event a retired hazardous position member or a member of the state police retirement system is receiving benefits under partial disability as provided for under KRS 16.586 and is reemployed in a nonhazardous position, the board is hereby authorized to waive or modify the foregoing provisions of this section and permit such person to receive a partial disability retirement allowance while accruing retirement benefits in a nonhazardous position.

Section 13. KRS 61.645 is amended to read as follows:

(1) The system shall be administered by the board of trustees of the Kentucky retirement systems composed of nine (9) members, who shall be selected as follows:

(a) The commissioner of personnel shall serve as trustee for as long as he occupies the position of commissioner under KRS 18.160 except as provided under subsections (5) and (6) of this section;

(b) Two (2) trustees, who must be members or retired from the county employes retirement system, elected by the members of the county employes retirement system;

(c) One (1) trustee, who must be a member or retired from the state police retirement system, elected by the members of the state police retirement system;

(d) Two (2) trustees, who must be members or retired from the Kentucky employes retirement system, elected by the members of the Kentucky employes retirement system;

(e) Three (3) trustees appointed by the governor of the Commonwealth.

(2) The board is hereby granted the powers and privileges of a corporation including, but not limited to the following powers:

(a) To sue and be sued in its corporate name;

(b) To make bylaws not inconsistent with the law;

(c) To conduct the business and promote the purposes for which it was formed;

(d) To contract for investment counseling, actuarial, auditing and other professional services as its statutory purpose may require without limitations of KRS *45.360* [Chapter 45A];

(e) To acquire, hold, sell, dispose of, pledge, lease or mortgage any such property as its purpose may require, notwithstanding the limitations of KRS chapters 45 and 56 provided however, that the board is not authorized to construct a building; and

(f) The board shall reimburse any trustee or officer for any legal expense resulting from a civil action arising out of the performance of his official duties.

(3) (a) Notwithstanding the provisions of subsection (1) of this section, each trustee shall serve a term of four (4) years or until his successor is duly qualified except as otherwise provided in this section.

(b) The trustee to be elected by the members of the county employes retirement system who replaces the attorney general on the board shall have an initial term expiring on March 31, 1977 and nominations for this position and the election process shall take place within ninety (90) days after March 26, 1974, with the attorney general serving until such elected member has been duly qualified and administered the oath of office.

(c) The term of office of the trustee elected by the membership of the Kentucky employes retirement system which now expires on December 10, 1975 shall be succeeded by a term expiring on March 31, 1978.

(4) (a) The trustees selected by the membership of each of the various retirement systems shall be elected by ballot. For each trustee to be elected the board shall nominate not less than six (6) months before a term of office of a trustee is due to expire at least three (3) constitutionally eligible individuals.

(b) Individuals may be nominated by the retirement system members which are to elect the trustee by presenting to the general manager not less than four (4) months before a term of office of a trustee is due to expire, a petition, bearing the name, social security number, and signature of no less than one-tenth (1/10) of the number voting in the last election by said retirement system members.

(c) Within three (3) months of the nominations made in accordance with paragraphs (a) and (b) of this subsection, the general manager shall cause to be prepared an official ballot. The ballot shall carry the name, address, and position title of each individual nominated by the board and by petition. Provisions shall also be made for write-in votes.

(d) The ballots shall be distributed to the eligible voters by mail to their last known residence address.

(e) The ballots shall be addressed to the tabulating committee in care of a predetermined box number at the United States Post Office, Frankfort, Kentucky. Access to this post-office box shall be limited to the tabulating committee consisting of three (3) discreet persons appointed by the general manager to count the ballots and tabulate the votes. The individual receiving a plurality of votes shall be declared elected.

(f) The eligible voter shall cast his ballot by checking a square opposite the name of the candidate of his choice. He shall record his social security number, sign, and mail the ballot at least thirty (30) days prior to the date the term to be filled is due to expire. The latest mailing date shall be printed on the ballot.

(g) The tabulating committee shall report in writing the outcome to the chairman of the board of trustees. Cost of an election shall be payable from the funds of the system for which the trustee is elected.

(5) Any vacancy which may occur in an appointed position shall be filled in the same manner which provides for the selection of the particular trustee, and any vacancy which may occur in an elected position shall be filled by appointment by a majority vote of the remaining trustees, and should the commissioner of personnel resign his position as trustee it shall be filled by appointment made by the governor; however, any vacancy shall be filled only for the duration of the unexpired term.

(6) Membership on the board of trustees shall not be incompatible with any other office unless a constitutional incompatibility exists. No trustee may serve in more than one (1) position as trustee on the board and should a trustee be in more than one (1) position as trustee on the board, he is hereby permitted a choice of resigning any position. No trustee shall be subject to removal from office except upon conviction of a felony, or of a misdemeanor involving moral turpitude.

(7) Trustees who do not otherwise receive a salary from the state treasury shall receive a per diem of sixty dollars ($60.00) for each day they are in session or on official duty, and they shall be reimbursed for their actual and necessary expenses in accordance with normal state regulations and standards.

(8) The board shall meet at least once in each quarter of the year and may meet in special session upon the call of the chairman or the general manager. It shall elect a chairman and a vice-chairman. A majority of the trustees shall constitute a quorum, and all actions taken by the board shall be by affirmative vote of a majority of the trustees present.

(9) The board shall:

(a) Appoint or contract for the services of a general manager, and fix his compensation without limitation by the provisions of KRS Chapter 18 and KRS 64.640. The general manager shall be the chief administrative officer of the board;

(b) Appoint such other employes as it deems necessary and fix the compensation for all employes of the board, subject to the approval of the commissioner of personnel;

(c) Require the general manager and such employes as it thinks proper to execute bonds for the faithful performance of their duties notwithstanding the limitations of KRS Chapter 62;

(d) Establish a system of accounting; and

(e) Do all things, take all actions and make all rules and regulations, not inconsistent with the provisions of KRS 61.510 to 61.692 and 16.510 to 16.652 and 78.510 to 78.852, that it deems necessary or proper in order to carry out the provisions of KRS 61.510 to 61.692 and 16.510 to 16.652 and 78.510 to 78.852.

(10) All employes of said board shall serve during its will and pleasure.

(11) The attorney general, or an assistant designated by him, may attend each meeting of the board and shall receive the agenda, board minutes and other information distributed to trustees of the board and the attorney general may act as legal adviser and attorney for the board and the board is hereby authorized to contract for legal services notwithstanding the limitations of KRS chapter 12.

(12) The board shall prepare and publish an annual financial report showing all receipts, disbursements, assets and liabilities. All its proceedings and records shall be open for inspection by the public.

(13) All expenses incurred by or on behalf of the board in the administration of the system during a fiscal year shall be paid from the retirement allowance account. The expenses incurred by the board in the administration of the system during any fiscal year shall not exceed two per cent (2%) of the total employer and member contributions during such fiscal year.

(14) Any person adversely affected by a decision of the board involving KRS 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852, may appeal the decision of the board to the Franklin circuit court.

Section 14. KRS 61.660 is amended to read as follows:

(1) The state treasurer shall be the custodian of the funds received under authority of KRS 61.510 to 61.692 and 16.505 to 16.652 and 78.510 to 78.852 and he shall be responsible for the safekeeping of all cash and securities in his custody. All payments from said fund shall be made by him on warrants issued by the executive department for finance and administration. *Payments may be in the form of checks or direct deposit bank transfers.*

(2) The board shall appoint a custodian or custodians of the securities acquired under authority of KRS 61.510 to 61.692 and 16.505 to 16.652 and 78.510 to 78.852 and the custodian or custodians shall be responsible for the safekeeping of securities in his custody.

Section 15. KRS 61.680 is amended to read as follows:

(1) Every employe shall be deemed to consent and agree to any deduction from his compensation required by KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and to all other provisions thereof.

(2) (a) Notwithstanding any other provisions of KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and 161.220 to 161.715, upon death, disability, or service retirement a member's accounts under the state police retirement system, Kentucky employes retirement system, county employes retirement system and teachers' retirement system shall be consolidated for the purpose of determining eligibility and amount of benefits. The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation shall be determined as if all service were in one system. If the member has prior service in more than one system, he must obtain at least twelve (12) months' current service in each system in which he has prior service in order to validate such prior service in each system for purposes of determining consolidated benefits under this section. Upon the determination of benefits each system shall pay the applicable percentage of total benefits.

(b) The provisions of subsection (2)(a) of this section shall be waived if the member notifies the board of his desire to maintain separate retirement accounts in the state police retirement system, Kentucky employes retirement system or county employes retirement system, or if he is a member of the state police retirement system or is working in a hazardous position under the Kentucky employes retirement system or county employes retirement system and as a result of an act in line of duty becomes disabled or deceased.

(c) If the member has not contributed at least one year in a system in which he has prior service his current service in such system shall be valid for purposes of determining eligibility and in computation of benefits on a consolidated basis.

(3) A member with service credit in the Kentucky employes retirement system, state police retirement system or the county employes retirement system who enters the service of a department, board, agency or instrumentality of the Commonwealth whereby such person would be eligible for membership in the judicial retirement system may elect to retain membership in the system in which he is a member, either the Kentucky employes retirement system, state police retirement system or the county employes retirement system. When such an election is made, the agency employing the member shall withhold employe contributions, make employer contributions and remit these contributions to the system in which the member retained his membership.

(4) (a) Prior to July 1, 1976 a person entering the service of an employer participating in the Kentucky employes retirement system or the county employes retirement system with service credit in the teachers' retirement system and who desires to retain membership in the teachers' retirement system, and who is permitted by that system to continue is hereby exempt from participating in the Kentucky employes retirement system or the county employes retirement system.

(b) Any person who has elected to retain membership in the teachers' retirement system as provided in subsection (a) of this section may cancel his election and participate in the system under which his position would normally participate, provided he elects to cancel his option prior to January 1, 1977.

(c) Any member of the general assembly who upon election is a contributing member of the teachers' retirement system may elect to retain membership in the teachers' retirement system during his term of office rather than participate in the Kentucky employes retirement system. Such election to retain membership in the teachers' retirement system must be filed in writing within ninety (90) days after his term of office begins or he will participate in the Kentucky employes retirement system during his term of office. No contributions may be made to the teachers' retirement system for the same period of service under the Kentucky employes retirement system as a member of the general assembly.

(5) Effective July 1, 1974 any member of the Kentucky employes retirement system or county employes retirement system who is working in a position covered by one of these retirement systems and his employe contributions, service credit and employer contributions made on his behalf are being transferred to the other retirement system shall contribute to the system in which his employer participates and no further contributions or service credit shall be transferred to the system in which he elected to retain membership as subsection (2) of this section eliminates the necessity of such transfers.

(6) *Any member of the Kentucky employes retirement system or county employes retirement system who is working in more than one position covered by one of these retirement systems, will have his wages and contributions consolidated and his retirement account administered as a single account. If part-time positions are involved, then an accumulation of all hours worked will be used to determine eligibility under KRS 61.510(21).*

(7) Notwithstanding the provisions of subsection (3) of this section and KRS 21.375, a person entering membership of the judicial retirement system with service credit in the state police retirement system,

Kentucky employes retirement system, county employes retirement system or teachers' retirement system will become vested for early and normal retirement benefits in each system in which he has service credit when his combined service credit in all systems is equal to that required for vesting in each respective system.

Section 16. KRS 61.691 is amended to read as follows:

(1) [(a)] Effective July 1, *1980 and July 1, 1981* [1979], a recipient of a retirement allowance under KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 shall have his retirement allowance increased by *six percent (6%)* [two per cent (2%) for each year since his effective retirement date as provided under KRS 61.590, subject to a maximum increase of five percent (5%), except a recipient of an early retirement allowance under KRS 16.577, 61.595(2) and Chapter 116, Section 70(2), 1972 Acts shall not receive such increase unless the retired member's age is within five (5) years of his normal retirement date].

[(b) Any fractional portion of a year shall be computed on a pro-rata basis.]

(2) A reemployed retired member whose payments are suspended as provided under KRS 61.637 shall be eligible for an increase in his suspended retirement allowance as provided under this section, computed as if he were receiving said retirement allowance at the time such increase under this section is effective.

Section 17. KRS 61.702 is amended to read as follows:

(1) The board of trustees of Kentucky retirement systems shall arrange by appropriate contract or on a self insured basis to provide a group hospital and medical insurance plan for present and future recipients of a retirement allowance from the Kentucky employes retirement system, county employes retirement system and state police retirement system. *The board may authorize present and future recipients of a retirement allowance from any of the three (3) retirement systems, who are under age sixty-five (65), to be included in the state employes group for hospital and medical insurance and may provide benefits equal to those provided to state employes.*

(2) Each employer participating in the state police retirement system as provided for in KRS 16.505 to 16.652, and each employer participating in the county employes retirement system as provided in KRS 78.510 to 78.852 and each employer participating in the Kentucky employes retirement system as provided for in KRS 61.510 to 61.692 shall contribute to the Kentucky retirement systems insurance fund the amount necessary to provide hospital and medical insurance as provided for under this section. Such employer contribution rate shall be developed by appropriate actuarial method as a part of the determination of each respective employer contribution rate to each respective retirement system determined under KRS 61.565.

(3) The premium required to provide hospital and medical benefits under this section shall be paid in full from the insurance fund for all recipients of a retirement allowance from any of the three (3) retirement systems where such recipient is a retired former member of one (1) or more of the three (3) retirement systems (not a beneficiary or dependent child receiving benefits) and had two hundred and forty (240) months or more of service upon retirement. Should such recipient have less than two hundred forty (240) months of service but have at least one hundred eighty (180) months of service, seventy-five percent (75%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining twenty-five percent (25%) by payroll deduction from his retirement allowance. Should such recipient have less than one hundred eighty (180) months of service but have at least one hundred twenty (120) months of service, fifty percent (50%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining fifty percent (50%) by payroll deduction from his retirement allowance. Should such recipient have less than one hundred twenty (120) months of service but have at least forty-eight (48) months of service, twenty-five percent (25%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining seventy-five percent (75%) by payroll deduction from his retirement allowance. Notwithstanding the foregoing provisions of this subsection, a state police retirement system member or a hazardous position employe, as defined in KRS 61.592, who becomes disabled in line of duty, as defined in KRS 16.505(20), shall have his premium paid in full as if he had two hundred forty (240) months or more of service. "Months of service" as used in this section shall mean the total months of combined service used to determine benefits under any or all of the three (3) retirement systems except service added to determine disability benefits shall not be counted as "months of service."

(4) Group rates under the hospital and medical insurance plan shall be made available to the spouse and dependents of a recipient who was a former member of one (1) or more of the three (3) retirement systems, and to the beneficiary where such beneficiary is receiving a retirement allowance, provided the premium for the spouse, dependent or beneficiary hospital and medical insurance is paid by payroll deduction from such retirement allowance.

(5) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient. No commission shall be paid for hospital and medical insurance procured under authority of this section.

SECTION 18. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

Upon the death of a retired member of the Kentucky employes retirement system, county employes retirement system, or state police retirement system who received a retirement allowance for service or disability retirement, who had a minimum of forty-eight (48) months of service, a death benefit of two thousand dollars ($2,000) shall be paid to the member's estate. Application for the death benefit made to the Kentucky retirement systems shall include acceptable evidence of death and of the eligibility of the applicant to act on the deceased member's behalf.

Section 19. KRS 78.610 is amended to read as follows:

(1) Each employe shall, commencing on July 1, 1966, contribute for each pay period, for which he receives compensation four percent (4%) of his creditable compensation. *Any other provisions of KRS 78.510 through 78.852 notwithstanding, any re-employed retiree, as described in KRS 61.637, shall contribute four percent (4%) of his creditable compensation, or the amount required by KRS 61.592(3) if applicable, if he anticipates that he will receive more than the maximum permissible earnings, as provided by the federal social security act, in compensation as a result of re-employment during the calendar year.*

(2) The treasurer, attorney, clerk, jailer and sheriff of a participating county shall cause to be deducted from the "creditable compensation" of each employe for each and every payroll period subsequent to the date the county participated in the system, the contribution payable by such member as provided in KRS 78.510 to 78.852. The attorney, clerk, jailer and sheriff shall promptly pay such deducted employe contributions to the treasurer for forwarding to the board in accordance with KRS 78.625.

(3) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any employe shall be reduced thereby. Every employe shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation less such deductions shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 78.510 to 78.852.

Section 20. KRS 61.590 is amended to read as follows:

(1) A member or beneficiary eligible to receive retirement benefits under any of the provisions of KRS 61.510 to 61.692 and 78.510 to 78.852 and 16.505 to 16.652 shall file with the board on the form prescribed by the board, notification of retirement, giving his name, address, social security number, last day of employment and such other information as the board may require.

(2) Within ten (10) days of the receipt of the notification of retirement form, the board shall cause to be prepared an estimate of the amounts the member or beneficiary may expect to receive under the various plans available to the member or beneficiary. This information shall be recorded on a form entitled, estimated retirement allowance, and forwarded to the member or beneficiary.

(3) The member or beneficiary shall return the form entitled, estimated retirement allowance, to the retirement office after he has checked the plan of his choice, signed the document and had his signature witnessed. A member or beneficiary may not select a different plan after the first retirement allowance payment has been drawn by the state treasurer.

(4) A member or beneficiary choosing a monthly payment plan shall file his birth certificate or other acceptable evidence of date of birth. In the event a survivorship plan is chosen, proof of dates of birth of the beneficiary and member shall be filed.

(5) The effective date of normal retirement shall be the first month following the month in which employment was terminated from a regular full-time position. The effective date of disability retirement shall be the first month following the month in which the member's last day of paid employment occurred. The effective date of early retirement shall be the first month following the month the notification of retirement form is filed with the retirement office, provided employment has been terminated.

(6) The effective date of a deferred retirement option as provided under KRS *16.576(6)* [16.576(5)] shall be the month following age sixty-five (65), or the month following written notification from the member that he wishes to begin receiving retirement payments. In the event of the death of a member who has deferred his retirement allowance, the effective date of retirement shall be the month following the member's death.

(7) Notwithstanding the provisions of KRS 16.578 or 61.640, the effective date of a beneficiary's retirement allowance under normal, early or disability retirement shall be as prescribed in subsection (5) or (6) of this section should the member die before the first retirement allowance has been drawn by the state treasurer and his beneficiary be eligible for payments under KRS 16.578 or 61.640.

Section 21. KRS 61.630 is amended to read as follows:

(1) Should a retired member who did not elect an optional retirement plan or a retired member who elected the partial deferred option under KRS *61.635(8)* [61.635(7)] die at any time after retirement but before receiving total retirement allowances provided in KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 at least equal to his accumulated contributions as of the date of his retirement, the difference between such accumulated contributions and such total allowances shall then be payable in a lump sum to the properly designated beneficiary, if then living; otherwise, to the estate of the deceased retired member.

(2) Should a retired member who elected an optional retirement plan and his beneficiary both die at any time after retirement of the member but before receiving total retirement allowances provided in KRS

16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 at least equal to the retired member's accumulated contributions as of the date of his retirement, the difference between such accumulated contributions and such total allowances shall then be payable in a lump sum to the estate of the last deceased. In the event of the simultaneous death of the retired member and beneficiary, the estate of the retired member shall become the beneficiary.

(3) Should a beneficiary receiving a lifetime retirement allowance under KRS 16.578 or 61.640 die before receiving total retirement allowances provided in KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 at least equal to the member's accumulated contributions as of the date of the member's death, the difference between such accumulated contributions and such total allowances shall then be payable in a lump sum to the estate of the beneficiary.

(4) Should a beneficiary receiving a retirement allowance for one hundred twenty (120) months certain under KRS 16.578 or 61.640 or a beneficiary receiving a retirement allowance under the life with ten (10) years certain option selected by the member under KRS 61.635(5) or a beneficiary receiving a retirement allowance for the duration of ten (10) years certain as prescribed in Chapter 128, Section 4(6), Acts of the 1974 General Assembly die before receiving all payments under the plan, the executor or administrator of his estate may elect to receive a lump sum payment which shall be the actuarial equivalent to the remaining payments, or said executor or administrator may elect to continue the remaining monthly payments to the estate of the beneficiary.

Section 22. KRS 16.640 is amended to read as follows:

The government and control of the system is hereby vested in the board of trustees of the Kentucky retirement systems. The board shall carry out the provisions of KRS 16.510 to 16.652 in the same manner in which it administers the Kentucky employes retirement system. In all matters concerning the administration of KRS 16.510 to 16.652, the same rights, duties, and obligations shall apply to the board, as now apply under the provisions of KRS 61.510 to 61.692[, except that members of the board, when acting for the state police retirement system, shall be paid a per diem of ten dollars ($10) plus actual expenses].

Section 23. KRS 78.780 is amended to read as follows:

(1) The government and control of the system is vested in the board of trustees of the Kentucky retirement systems. The board shall carry out the provisions of KRS 78.510 to 78.852 in the same manner in which it administers the Kentucky employes retirement system. In all matters concerning the administration of KRS 78.510 to 78.852, the same rights, duties, and obligations shall apply to the board as apply under the provisions of KRS 61.510 to 61.692[, except that members of the board, when acting for the county employes retirement system, shall be paid a per diem of sixty dollars ($60.00), plus actual expenses].

(2) Expenses incurred by or on behalf of the board in the administration of the system during a fiscal year shall be paid from the retirement allowance account. The expenses incurred by the board payable out of the retirement allowance account in the administration of the system during any fiscal year shall not exceed two percent (2%) of the total employer and member contributions during such fiscal year. Nothing herein shall be construed as limiting appropriations which may be made to the system from other sources.

The Committee Amendment No. 1 to **HB 574** is as follows:

Amend printed copy of **HB 574,** on page 56, after line 5, add the following:

"Section 24. KRS 61.605 is amended to read as follows:

Upon disability retirement, an employe may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his disability except that service credit shall be added to the employe's total service beginning with his last date of paid employment and continuing to his sixty-fifth (65th) birthday; however, the maximum service credit added shall not exceed the total service the employe had upon his last day of paid employment, and the maximum combined service credit for calculating his disability retirement allowance, including total service and added service shall not exceed twenty-five (25) years[, except when the employe has accumulated total service of twenty-five (25) or more years his total service shall be used in computing disability benefits]. *If, however, an employe has accumulated twenty-five (25) or more years of total service, he shall receive added service necessary to bring his combined service credit, including total and added service, to thirty (30) years. When the employe has accumulated total service of thirty (30) or more years, his total service shall be used in computing disability benefits.*"

The Committee Amendment No. 2 to **HB 574** is as follows:

Amend printed copy of **HB 574,** on page 46, line 3, by deleting "*may*" and inserting in lieu thereof "*shall*"; and on page 46, line 4, by inserting "*for recipients*" between "*benefits*" and "*equal*"; and

on page 46, line 5, by inserting after "*employes*" the words "*having the same medicare hospital and medical insurance eligibility status*"; and

on page 47, line 8, by inserting, after "retirement allowance," the words "*or by another method*"; and

on page 47, line 14, by inserting after "retirement allowance," the words " *or by another method*"; and

on page 47, line 20, by inserting after "retirement allowance" the words "*or by another method*"; and

on page 48, line 14, by inserting after "retirement allowance" the words "*or by another method*"; and

on page 55, line 4, by deleting the bracket "["; and

on page 55, line 7, by deleting the bracket "]"; and

on page 55, line 18, by deleting the bracket "["; and

on page 55, line 21, by deleting the bracket "]"; and

on page 56, after line 5, by adding the following:

"Section 24. KRS 61.565 is amended to read as follows:

(1) Each employer participating in the state police retirement system as provided for in KRS 16.505 to 16.652, and each employer participating in the county employes retirement system as provided for in KRS 78.510 to 78.852 and each employer participating in the Kentucky employes retirement system as provided for in KRS 61.510 to 61.692 shall contribute annually to the respective retirement system an amount equal to the per cent as computed under subsection (2) of this section of the creditable compensation of its employes, to be known as the "normal contributions," and an additional amount equal to one per cent (1%) of unfunded past service liabilities, plus annual interest accruing thereon at the actuarially assumed rate of interest adopted by the board to be known as the "past service contribution."

(2) The normal contribution rate shall be determined by the entry age normal cost funding method. The past service liability shall be determined by actuarial method consistent with the methods prescribed for determining the normal contribution rate. Normal contributions and the past service liability contribution shall be determined on actuarial bases adopted by the board.

(3) Normal contribution and the past service contribution rates shall be determined by the board on the basis of the annual actuarial valuation last preceding the July 1 of a new biennium. *The board may amend contribution rates as of July 1 of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy the requirements of subsections (1) and (2) of this section.*

(4) The board shall advise each employer prior to the beginning of each biennium, *or prior to July 1 of the second year of a biennium,* of any change in the employer contribution rate. Based on the employer contribution rate, each employer shall include in the budget sufficient funds to pay the employer contributions as determined by the board under subsections (1) to (3) of this section and a copy of such valuation shall be filed with the legislative research commission within ten (10) days of receipt thereof."

HB 732, AN ACT relating to regulation of mobile homes and recreational vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 227.550 is amended to read as follows:

As used in KRS 227.560 to 227.660, *227.990* and 227.992, unless the context requires a different definition:

(1) "Board" means the mobile homes certification and licensure board or the recreational vehicle certification and licensure board.

(2) "Class A seal" means a device or insignia issued by the office to indicate compliance with the standards, rules and regulations established by the office or the board for mobile homes and recreational vehicles.

(3) "Class B seal" means a seal issued pursuant to subsection (3) of KRS 227.600.

(4) "Dealer" means any person, other than a manufacturer, as defined herein, firm or corporation, who sells or offers for sale three (3) or more mobile homes or recreational vehicles in any consecutive twelve (12) month period.

(5) "Established place of business" means a fixed and permanent place of business in this state, including an office building and hard surface lot of suitable character and adequate facilities and qualified personnel, for the purpose of performing the functional business and duties of a dealer, which shall include the books, records, files and equipment necessary to properly conduct such business, or a building having sufficient space therein in which the functional duties of a dealer may be performed. The place of business shall not consist of a residence, tent, temporary stand or open lot. It shall display a suitable sign identifying the dealer and his business.

(6) "Federal act" means the national mobile home construction and safety standards act of 1974 and rules and regulations issued thereunder.

(7) "Manufactured housing" means mobile homes, recreational vehicles, mobile office or commercial units, add-a-rooms or cabanas.

(8) "Manufacturer" means any person who manufactures mobile homes or recreational vehicles and sells to Kentucky dealers.

(9) "Mobile home" means a structure, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place or residence, business, profession, or trade by the owner, lessee or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure. It shall include housetrailers which are regulated as to length, width and registration by KRS Chapter 186.

(10) "NFPA 501 (A)" means that section of the national fire code adopted by the national fire protection association that pertains to mobile home installation.

(11) "NFPA 501 (B)" means that section of the national fire code adopted by the national fire protection association that pertains to standards for mobile homes.

(12) "NFPA 501 (C)" means that section of the national fire code adopted by the national fire protection association that pertains to standards for recreational vehicles.

(13) "Office" means the office of the state fire marshal.

(14) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: Travel trailer, camping trailer, truck camper and motor home.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck campers: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck.

(d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

(15) "Secretary" means the secretary of the federal department of housing and urban development.

[(1) "Mobile home" means a movable or portable unit constructed to be moved from place to place on the public streets or highways and designed to permit the permanent or temporary occupancy therein for the purpose of use as a place of residence, business, profession, or trade by the owner, lessee or their assigns and which can be connected to electric, water, gas, sewage and telephone facilities. It may consist of one or more units that can be attached or joined together to comprise an integral unit or condominium structure. It shall include housetrailers which are regulated as to length, width and registration by KRS chapter 186.

(2) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: Travel trailer, camping trailer, truck camper and motor home.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use and or such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than 220 square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck campers: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pickup truck.

(d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

(3) "Seal" means a device or insignia issued by the office to indicate compliance with the standards, rules and regulations established by the office or the board for mobile homes and recreational vehicles.

(4) "Class B seal" means a seal issued pursuant to subsection (3) of KRS 227.600.

(5) "Dealer" means any person, other than a manufacturer, as defined herein, firm or corporation, who sells or offers for sale three (3) or more mobile homes or recreational vehicles in any consecutive twelve (12) month period.

(6) "Manufacturer" means any person who manufactures mobile homes or recreational vehicles and sells to Kentucky dealers or manufactures mobile homes in this state.

(7) "Office" means the office of the state fire marshal.

(8) "Board" means the mobile homes certification and licensure board or the recreational vehicle certification and licensure board.

(9) "NFPA 501(B)" means that section of the national fire code adopted by the national fire protection association that pertains to standards for mobile homes.

(10) "NFPA 501(C)" means that section of the national fire code adopted by the national fire protection association that pertains to standards for recreational vehicles.

(11) "Established place of business" means a fixed and permanent place of business in this state, including an office building and hard surface lot of suitable character and adequate facilities and qualified personnel, for the purpose of performing the functional business and duties of a dealer, which shall include the books, records, files and equipment necessary to properly conduct such business, or a building having sufficient space therein in which the functional duties of a dealer may be performed. The place of business shall not consist of a residence, tent, temporary stand or open lot. It shall display a suitable sign identifying the dealer and his business.

(12) "Secretary" means the secretary of the federal department of housing and urban development.

(13) "Federal act" means the national mobile home construction and safety standard act of 1974 and rules and regulations issued thereunder.]

Section 2. KRS 227.565 is amended to read as follows:

(1) There is hereby created the recreational vehicle certification and licensure board which shall issue certificates of acceptability to qualifying manufacturers and licenses to dealers.

(2) The board shall consist of the state fire marshal, the secretary of the department of transportation, the commissioner of the bureau for health services, or their designees, and six (6) citizens of the Commonwealth appointed by the governor, which shall include one (1) manufacturer of recreational vehicles and two (2) recreational vehicle dealers, and three (3) members who shall have no interest in the industry to be regulated.

(3) The state fire marshal, the secretary of the department of transportation, and the commissioner of the bureau for health services shall be permanent members of the board, by virtue of their respective offices. The appointed members of the board shall hold office for terms of four (4) years with their terms expiring on September 1 of even numbered years. Each member shall hold office until his successor is appointed and has qualified.

(4) In the initial appointments to the board, the governor shall designate three (3) members to serve for two (2) years, and three (3) to serve for four (4) years.

(5) If a vacancy occurs in the office of one (1) of the members of the board, the position shall be filled by a person appointed by the governor, and the person so appointed shall serve only to the end of the unexpired term.

(6) The chairman of the board shall be the state fire marshal. In the event of the chairman's absence or disability, the members of the board shall elect a temporary chairman by a majority vote of those present at a meeting.

(7) Each appointed member shall be entitled to *$50.00* [$25.00] for each day he is in attendance at meetings or hearings or on authorized business of the board, including time spent in traveling to and from the place of the meeting, hearing or other authorized business. Each member of the board shall also be entitled to reimbursement for travel and other necessary expenses incurred in performing official duties.

(8) The chairman, or in his absence a temporary chairman selected by the members of the board present at the meeting, shall preside at all meetings of the board. The board shall have regular meetings at times specified by a majority vote of the board. The chairman may call special meetings at any time. He shall call a special meeting on written request by two (2) or more members of the board. A majority of the board shall constitute a quorum to transact business.

(9) All staff assistance deemed necessary by the board to carry out the functions and duties assigned to it in KRS 227.550 to 227.660 shall be provided by the office and shall function under the supervision of the administrative head of the office.

Section 3. KRS 227.570 is amended to read as follows:

(1) The office shall enforce such standards and requirements for the installation of plumbing, heating, and electrical systems in mobile homes and *for* recreational vehicles as it determines are reasonably necessary in order to protect the health and safety of the occupants and the public. Said standards and requirements shall be those *adopted by the mobile home certification and licensure board or the recreational vehicle certification and licensure board* [embodied in NFPA 501(B) and NFPA 501(C) respectively].

(2) The office shall enforce such standards and requirements for the body and frame design and construction of mobile homes as it determines are reasonably necessary in order to protect the health and safety of the occupants and the public. Said standards and requirements shall be those *adopted by the mobile home certification and licensure board* [embodied in NFPA 501(B) as amended from time to time by the National Fire Protection Association]. In the event that any part of Acts 1976, ch. 136 conflicts with Title 6 of the Federal Housing and Community Development Act of 1974, the federal act shall take precedence.

(3) Mobile homes shall be installed in accordance with the manufacturers instructions or part 4 of NFPA 501 (A).

Section 4. KRS 227.580 is amended to read as follows:

(1) It is unlawful for any manufacturer to manufacture, import or sell mobile homes or recreational vehicles within this state after June 21, 1974, unless such manufacturer has been issued a certificate of acceptability for such mobile homes or recreational vehicles from the office. This provision shall not, however, apply to mobile homes or recreational vehicles manufactured in this state and designated for delivery to and sale in a state that has a code that is inconsistent with KRS 227.550 to 227.660.

(2) The office shall require that the manufacturer establish and submit to the office for approval, systems for quality control *for those mobile homes which are not covered by the federal act and for recreational vehicles* prior to the issuance of a certificate of acceptability.

(a) The office shall issue a certificate of acceptability to any manufacturer within or without this state upon receipt of an application from such manufacturer to which is attached an affidavit certifying that any mobile home *which is not covered by the federal act* or *any* recreational vehicle manufactured by the applicant *shall* [will] be built in compliance with *the applicable code adopted by the mobile home certification and licensure board or the recreational vehicle certification and licensure board* [NFPA 501(B) or NFPA 501(C), whichever is applicable].

(b) Certificates of acceptability shall be numbered and a record shall be kept by the office, by number, of the certificates issued to manufacturers.

(3) No manufacturer to which a certificate of acceptability has been issued shall modify in any way its manufacturing specifications without prior written approval of the office.

(4) The office may determine that the standards for mobile homes *which are not covered by the federal act* or *for* recreational vehicles established by a state or a recognized body or agency of the federal government *or other independent third party* are at least equal to *those standards adopted by the mobile home certification and licensure board or the recreational vehicle certification and licensure board* [NFPA 501(B) or NFPA 501(C)]. If the office finds that such standards are actually enforced then it *may* [shall] issue a certificate of acceptability for such mobile homes or recreational vehicles.

Section 5. KRS 227.590 is amended to read as follows:

(1) The board shall make and the office shall enforce rules and regulations reasonably required to effectuate the provisions of KRS 227.550 to 227.660 *and to carry out their responsibilities as a state administrative agency for the enforcement and administration of the federal act.*

(2) At least thirty (30) days before the adoption or promulgation of any change in or addition to the rules and regulations authorized in subsection (5) of this section the office shall mail to all manufacturers possessing valid certificates of acceptability and dealers possessing valid licenses a notice including a copy of the proposed changes and additions and the time and place that the board will consider any objections to the proposed changes and additions. After giving the notice required by this section, the board shall afford interested persons an opportunity to participate in the rule making through submission of written data, views or arguments with or without opportunity to present the same orally in any manner.

(3) Every rule or regulation or modification, amendment or repeal of a rule or regulation adopted by the board shall state the date it shall take effect.

(4) Notwithstanding the provisions of KRS 227.550 to 227.660, the board shall have the authority to promulgate rules and regulations exempting manufacturers and dealers from the provisions of KRS

227.550 to 227.660 when mobile homes and recreational vehicles are brought into this state for exhibition only.

(5) All rules, regulations, codes, fees and charges adopted by the board pursuant to KRS 227.550 to 227.660 shall be prepared and filed in accordance with chapter 13 of the Kentucky Revised Statutes.

(6) The board shall have the authority to promulgate rules and regulations to issue temporary licenses, not to exceed thirty days, to out-of-state dealers for the purpose of participating in mobile home and recreational vehicle shows in the Commonwealth of Kentucky.

Section 6. KRS 227.600 is amended to read as follows:

(1) No manufacturer who has received a certificate of acceptability from the office may sell or offer for sale in this state mobile homes *which are not covered by the federal act* or *any* recreational vehicles unless they bear a seal of approval issued by and purchased from the office.

(2) Seals issued by the office shall be numbered and shall be affixed to the mobile home or recreational vehicle in a conspicuous place.

(3) Any dealer who has acquired a used mobile home or recreational vehicle without a seal, [or one manufactured prior to June 21, 1974,] shall apply to the office for a Class B seal by submitting an affidavit that the unit has been brought up to or meets reasonable standards established by the board for used mobile homes or recreational vehicles. Those mobile homes taken in trade [having a Class A or Class B seal] must be reinspected and certified. *A Class B seal shall be affixed to the unit prior to sale* [The existing Class A or Class B seal may be removed and a new Class B seal affixed or the new B seal may be applied over the existing seal]. A seal will not be required if such dealer submits an affidavit that the unit will not be resold for use as such by the public.

(4) The owner of any mobile home *which is not covered by the federal act* or *a* recreational vehicle purchased in another state and not bearing a seal of approval shall purchase a seal from the office. Application to purchase a seal of approval [or a Class B seal] shall be made to the *office* [licensure board].

(5) The *office* [licensure board] shall make available suitable forms for application for seals of approval for new mobile homes *which are not covered by the federal act* and recreational vehicles [or Class B seals for used ones].

(6) The clerk of the county in which a mobile home or recreational vehicle is sought to be registered after June 1, 1976, which was purchased out of Kentucky, shall require production of proof of purchase *of* [or] a seal of approval as provided in subsection (4) of this section before registering or issuing a license for any such mobile home or recreational vehicle.

Section 7. KRS 227.620 is amended to read as follows:

(1) No dealer shall engage in business as such in this state without a license therefor as provided in KRS 227.550 to 227.660.

(2) Application for license shall be made to the office at such time, in such form and contain such information as the office shall require and shall be accompanied by the required fee. The office may require in such application, or otherwise, such information as it deems commensurate with the safeguarding of the public interest in the locality in which said applicant proposes to engage in business, all of which may be considered by the office in determining the fitness of said applicant to engage in business as set forth in KRS 227.550 to 227.660.

(3) All licenses shall be granted or refused within thirty (30) days after application therefor, and shall expire, unless sooner revoked or suspended, on December 31 of the calendar year for which they are granted.

(4) The license fee for such calendar year or part thereof shall be established by the board, subject to the following maximums:

(a) For manufacturers a "certificate of acceptability" shall be subject to a maximum of five hundred dollars ($500).

(b) For dealers the maximum license fee shall be two hundred fifty dollars ($250) for each established place of business.

(c) The fee for a *"Class A seal" or* ["seal of approval" and] a "Class B seal" shall be established by the board subject to a maximum of twenty-five dollars ($25) per seal.

(d) The office may establish a monitoring inspection fee in an amount established by the secretary. This monitoring inspection fee shall be an amount paid by each mobile home manufacturer in this state for each mobile home produced by the manufacturer in this state. The monitoring inspection fee shall be paid by the manufacturer to the secretary or the secretary's agent, who shall distribute the fees collected from all mobile home manufacturers among the states approved and conditionally approved by the secretary based on the number of new mobile homes whose first location after leaving the manufacturing plant is on the premises of a distributor, dealer, or purchaser in that state, and the extent of participation of the state in the joint team monitoring program established under the national mobile home construction and safety standards act of 1974.

(5) All revenues raised through the provisions of *subsections (4)(a), (b), and (c), and funds paid to the state by the secretary under the provisions of subsection (4)(d)* [paragraphs (a), (b) and (c) of subsection

(4)] of this section shall be *deposited in a trust and agency fund and shall be* used solely for the purpose of carrying out the provisions of KRS 227.550 to 227.660 *and other departmental responsibilities. No amount of such trust and agency fund shall lapse at the end of any fiscal year.* [At the close of each fiscal year all unencumbered revenues raised through the provisions of KRS 227.550 to 227.660 and 227.992 shall lapse and revert to the general fund of the treasury of the Commonwealth.]

(6) The licenses of dealers shall specify the location of the established place of business and must be conspicuously displayed there. In case such location be changed, the office shall endorse the change of location on the license without charge if it be within the same municipality. A change of location to another municipality shall require a new license.

(7) Every dealer licensed in accordance with the provisions of this section shall make reports to the office at such intervals and showing such information as the office may require.

(8) Each manufacturer, distributor, and dealer of mobile homes shall establish and maintain such records, make such reports, and provide such information as the office or the secretary may reasonably require to be able to determine whether such manufacturer, distributor, or dealer has acted or is acting in compliance with KRS 227.550 to 227.660 or the federal act and shall, upon request of a person duly designated by the office or secretary, permit such person to inspect appropriate books, papers, records and documents relevant to determining whether such manufacturer, distributor, or dealer has acted or is acting in compliance with KRS 227.550 to 227.660 or the federal act.

Section 8. KRS 227.640 is amended to read as follows:

(1) The office may deny the application for a license or certificate of acceptability within thirty (30) days after receipt thereof by written notice to the applicant, stating the grounds for such denial.

(2) No license or certificate of acceptability shall be suspended or revoked by the office except after a hearing thereon. The office shall give the licensee or certificate holder at least thirty (30) days' notice of the time and place of hearing and of the charges to be heard.

(3) Any manufacturer or dealer who violates or fails to comply with KRS 227.550 to 227.660 or any rules or regulations promulgated thereunder shall be notified in writing setting forth facts describing the alleged violation and instructed to correct the violation within *twenty (20)* [sixty (60)] days. Should the manufacturer or dealer fail to make the necessary corrections within the specified time, the office may, after notice and hearing, suspend or revoke any certificate of acceptability or license if it finds that:

(a) The manufacturer or dealer has failed to pay the fees authorized by KRS 227.550 to 227.660; or that

(b) The manufacturer or dealer either knowingly or without the exercise of due care to prevent the same, has violated any provision of KRS 227.550 to 227.660 or any regulation or order lawfully made pursuant to and within the authority of KRS 227.550 to 227.660; or that

(c) The manufacturer has shipped or imported into this state a mobile home or recreational vehicle to any person other than to a duly licensed dealer.

(4) Any person aggrieved by any ruling of the office denying a license or suspending or revoking a license, within fifteen (15) days after any such ruling of the office may appeal such ruling to the board herein provided for. Such appeal shall be in writing. The board shall state in writing, officially signed by all the members concurring therein, its findings and determination after such hearing and its order in the matter. If the board shall determine and order that any applicant is not qualified to receive a license or certificate of acceptability, no license or certificate shall be granted. If the board shall determine that the licensee or certificate holder has wilfully or through gross negligence been guilty of a violation of any of the provisions of KRS 227.550 to 227.660, his license may be suspended or revoked.

(5) Any person aggrieved by any ruling of the board may appeal to the Franklin Circuit Court and to the Court of Appeals in the manner provided for by KRS 281.780 and 281.785.

Section 9. KRS 227.650 is amended to read as follows:

(1) The office is empowered to inspect all mobile homes *which are not covered by the federal act* and recreational vehicles for which it has issued a seal of approval.

(2) The office may establish and require such training programs in the concept, techniques, and inspection of mobile homes and recreational vehicles for the personnel of local governments, as the office considers necessary.

(3) The staff of the office, upon showing proper credentials and in the discharge of their duties pursuant to KRS 227.550 to 227.660 or the federal act, is authorized with the consent of the manufacturer or by proper warrant to enter and inspect all factories, warehouses, or establishments in this state in which mobile homes are manufactured.

Section 10. KRS 227.990 is amended to read as follows:

(1) Except for mobile homes manufactured under the federal act, any person who violates any provision of this chapter or any provision of a lawful order, rule or regulation made under the provisions of this chapter, or who induces another to violate any provisions of this chapter or of any lawful order, rule or regulation made thereunder, upon conviction thereof shall be fined not less than twenty-five dollars ($25) nor more

than one thousand dollars ($1,000), or confined in the county jail for not more than sixty (60) days, or both. Each day such violations exist shall, in the discretion of the courts, be considered as a separate offense.

(2) Any person who, for mobile homes manufactured under the federal act, violates any provision of *the federal act or of* KRS 227.550 to 227.660 or any regulation or final order issued thereunder shall be liable for a civil penalty not to exceed one thousand dollars ($1,000) for each such violation. Each violation of a provision of KRS 227.550 to 227.660 or *of the federal act or* any regulation or order issued thereunder shall constitute a separate violation with respect to each mobile home or with respect to each failure or refusal to allow or perform an act required thereby, except that the maximum civil penalty may not exceed one million dollars ($1,000,000) for any related series of violations occurring within one (1) year from the date of the first violation.

(3) Any individual, or a director, officer or agent of a corporation who knowingly and wilfully violates the federal act or KRS 227.550 to 227.660 in a manner which threatens the health or safety of any purchaser shall be fined not more than one thousand dollars ($1,000) or imprisoned not more than one (1) year in the county jail, or both.

HB 858, AN ACT relating to the promotion of the arts and related activities and the raising of revenue therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 153 IS CREATED TO READ AS FOLLOWS:

(1) It is the finding of the General Assembly that cultural opportunities and the arts have a direct and positive impact on the hotel industry through promotion of tourism and convention trade. The Kentucky center for the arts will serve as catalyst in the development of Louisville and Jefferson County as a major convention and entertainment center. The Kentucky center for the arts corporation will have as management priority the stimulation of the Jefferson County hotel industry and promotion of tourism through:

(a) The presentation of Kentucky and Louisville-area and nationally and internationally prominent arts activities which will attract regional audiences;

(b) Regional and national promotion of events occurring within the center, along with ancillary activities;

(c) The development, in conjunction with local hotels, of tourist packages including performance and group plans;

(d) The active solicitation of arts related conferences and conventions;

(e) The active participation with local hotels and convention bureaus in attracting non-arts related conferences and conventions, with the center serving as an important amenity;

(f) The development of a Kentucky folklore program which will attract participants and an audience from throughout the state;

(g) The contribution to cultural diversity and the attractiveness of Louisville and Jefferson County as a year-around tourist and entertainment attraction.

(2) For these reasons, the general assembly concludes that the dedication of additional revenues from the increased transient room tax authorized in counties containing first class cities to the Kentucky center for the arts corporation will directly benefit the Jefferson County hotel industry, and that this dedication symbolizes the integral relationship between the Kentucky center and promotion of the Jefferson County hotel industry, created by this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 153 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky center for the arts corporation is hereby established, and shall consist of eleven (11) members representing metropolitan Louisville and Kentucky to be appointed by the governor, who shall also designate a chairman. Initial terms shall be staggered; thereafter, members shall be appointed to four-year terms.

(2) Members may be removed by the governor only for cause after being afforded notice, a hearing with counsel before the governor or his designee, and a finding of fact by the governor. A copy of charges, transcript of the record of the hearings and findings of fact shall be filed with the secretary of state.

(3) The Kentucky center for the arts corporation shall be a body corporate with full corporate powers. A quorum of the corporation shall consist of six (6) members, with a majority of members present authorized to act upon any matter legally before the corporation. Full minutes and records shall be kept of all meetings of the corporation and all official actions shall be recorded.

(4) The corporation may enact bylaws concerning the election of other officers, the creation of an executive committee with full authority to act between regular meetings, and the designation of alternates for members with full voting authority.

SECTION 3. A NEW SECTION OF KRS CHAPTER 153 IS CREATED TO READ AS FOLLOWS:

The Kentucky center for the arts corporation:

(1) Shall supervise construction of the Kentucky center for the arts in conjunction with the department of finance, and shall provide all management functions for the facility and for any other property acquired or leased pursuant to its powers under this section;

(2) May take, acquire and hold property, and all interests therein, by deed, purchase, gift, devise, bequest, lease or eminent domain, or by transfer from the state property and buildings commission, and may dispose of any property so acquired in any manner provided by law. In the exercise of its power of eminent domain, it shall proceed in the manner provided in the Eminent Domain Act of Kentucky, KRS 416.540 to 416.680;

(3) May issue revenue bonds, subject to procedures which shall be established by the department of finance, solely payable from the charges, revenues, rentals, and other funds pledged for their payment for the purpose of paying all or any part of the cost of any project or for the acquisition of property;

(4) Shall promote the growth and development of the arts, convention trade, tourism and the hotel industry within Jefferson County and the Commonwealth, through utilization of the Kentucky center to enhance these and the public interest;

(5) May adopt administrative regulations as provided in KRS Chapter 13 governing the operation, maintenance or use of property under its custody and control;

(6) May levy a surcharge on tickets for all functions held within the center to contribute to operating revenue;

(7) May receive tax revenues from any governmental unit, and financial contributions of local governments, private persons and foundations;

(8) Shall have exclusive control of all exhibitions, performances and concessions in the center for the arts. The corporation shall have a prior lien upon the property of any private exhibitor, concessionaire, or other person holding an exhibition or performance or operating a concession in the center, and may sell such property upon ten (10) days notice to satisfy any indebtedness;

(9) Shall develop in conjunction with local hotels, tourist packages including performance and group plans, and shall participate with local hotels and convention bureaus in attracting non-arts related conferences and conventions; and

(10) May establish an excecutive committee from among its membership with full authority to act between its meetings to the extent delegated by the corporation.

SECTION 4. A NEW SECTION OF KRS CHAPTER 153 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky center for the arts corporation shall appoint an executive director, who shall hold office at its pleasure, and shall serve in a full-time capacity. The executive director shall be the chief administrative officer of the corporation and shall provide the staff direction and coordination in implementing the program and discharging the duties of the corporation. The executive director is authorized to act under direction of the corporation in employing necessary staff to perform its duties and exercise its powers as assigned by this Act.

(2) The staff shall keep all minutes, records and orders of the corporation, and shall be responsible for preservation of all such documents, which are public records subject to KRS 61.870 to 61.884. The staff shall also perform any other duties assigned by the executive director, with approval of the corporation.

(3) All revenues derived by the corporation from the use of the Kentucky center for the arts, or contribution from any other source as authorized in Section 3 of this Act shall be solely used to defray the expenses of the Kentucky center for the arts, including payment on debt, the cost of management and operation of its facilities, the creation of an adequate reserve for repair, replacement, debt service and capital improvements, the procurance of insurance and promotional activities. An annual audit of funds of the corporation shall be made by the state auditor of public accounts, and reported to the governor.

SECTION 5. A NEW SECTION OF KRS CHAPTER 153 IS CREATED TO READ AS FOLLOWS:

(1) In addition to the three percent (3%) transient room tax authorized by KRS 83.350, fiscal courts in counties containing cities of the first class may levy an additional transient room tax not to exceed one and one-half percent (1 ½%) of the rent for every occupancy of a suite, room or rooms, charged by all persons, companies, corporations or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations' businesses. All monies collected from the tax authorized by this section shall be turned over to the Kentucky center for the arts corporation, and shall be used to defray operating costs of the Kentucky center for the arts.

(2) If at the end of each fiscal year, total operating income to the corporation from all sources for that fiscal year, including the increased transient room tax, produces a surplus over the expenses of the center, with expenses defined in subsection (3) of Section 4 of this Act but excluding payment on debt and debt service, such surplus produced by the room tax shall be paid to any local tourist and convention commission established pursuant to KRS 83.340(1).

Section 6. Whereas, plans for the Kentucky center for the arts must be developed immediately in order to minimize the constantly rising costs of construction, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the governor.

The Committee Amendment No. 1 to **HB 858** is as follows:

Amend printed copy of **HB 858,** on page 7, line 5, by deleting the following: "(1)" and on

Page 7, lines 8 and 9, by deleting "one and one-half percent (1 ½%)" and substituting in lieu thereof "one percent (1%)"; and on

Page 7 by deleting lines 19 through 26 in their entirety; and on

Page 8, by deleting line 1 in its entirety.

HB 859, AN ACT relating to libraries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 173 IS CREATED TO READ AS FOLLOWS:

Unless the context otherwise requires:

(1) "State Librarian" means the state librarian as defined in KRS 171.130;

(2) "Governmental unit" means any county or city or urban-county government or other agency of instrumentality which is authorized by Kentucky Revised Statutes to levy and collect taxes for public purposes; and

(3) "Qualifying library" means any free public library supported in whole or in part with money derived from taxation, and governed by a board as provided for in KRS 173.040, 173.340, 173.500 or 173.725, which is located in any county containing a city of the first or second class, or in any urban-county government.

SECTION 2. A NEW SECTION OF KRS CHAPTER 173 IS CREATED TO READ AS FOLLOWS:

There is hereby created the urban libraries fund for distribution to free public libraries in counties containing cities of the first or second class, or urban-county governments pursuant to the provisions of this Act. The fund shall consist of such sums as are appropriated by the general assembly, and any grants, gifts, legacies, devises or other funds or property from any available source, public or private. The receipt, control and expenditure of funds shall be subject to the general provisions of KRS Chapters 41 to 47, governing financial administration of state agencies.

SECTION 3. A NEW SECTION OF KRS CHAPTER 173 IS CREATED TO READ AS FOLLOWS:

The state librarian shall annually on September 1 cause the state treasurer to pay to each qualifying library out of the urban libraries fund, to the extent that funds are available, the sums computed as follows:

(1) The sum of twenty-five cents (25¢) for each resident of the county containing a qualifying library based on the then current census of such county supplied by the bureau of census, United States Department of Commerce; and

(2) The sum of ten thousand dollars ($10,000) for each one hundred thousand dollars ($100,000) which is appropriated for library purposes by any city, county, urban-county government or other governmental unit or taxing authority supplying funds, excluding federal revenue sharing funds, to a free public library in such county.

HB 877, AN ACT relating to libraries and archives.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 171.410 is amended to read as follows:

As used in KRS 171.410 to 171.740:

(1) "*Public* records" means all books, papers, maps, photographs, *cards, tapes, disks, recordings* and other documentary materials, regardless of physical form or characteristics, *which are prepared, received, owned, used, in the possession of, or retained* [made or received] by any *public* agency of the state government in pursuance of the state law or in connection with the transaction of public business and preserved or appropriate for preservation by that *public* agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the government or because of the informational value of data contained therein.

(2) "Library and archival materials" include but are not limited to public records, books, plates, pictures, photographs, engravings, paintings, drawings, maps, newspapers, magazines, pamphlets, broadsides, manuscripts, documents, letters, microfilm, sound recordings, audiovisual materials in any format, magnetic or other tape, electronic data processing records, artifacts, or other documentary, written or printed material regardless of physical form or characteristics, belonging to, on loan to, or otherwise in the custody of any public library, any library or archives of an educational, historical or eleemosynary institution, organization or society, or any repository of public records.

(3) "Department" means the department of library and archives.

(4)[(3)] "Commission" means the state archives and records commission.

(5) "Public agency" means every state or local office, state department, division, bureau, board, commission and authority; every legislative board, commission, committee and officer; every county and city governing body, council, school district board, special district board, municipal corporation, and any board, department, commission, committee, subcommittee, ad hoc committee, council or agency thereof; and any other body which is created by state or local authority which derives at least twenty-five percent (25%) of its funds from state or local authority.

Section 2. KRS 171.420 is amended to read as follows:

The state archives and records commission, is hereby created and shall be a fifteen (15) member body constituted as follows: The state librarian, who shall be the chairman of the commission, secretary of the cabinet for education and arts, the auditor of public accounts, the chief justice of the *supreme court* [court of appeals], the director of the legislative research commission, the attorney general, the director of the office for policy and management, one (1) member appointed by the governor from a list of three (3) persons submitted by the president of the University of Kentucky, one (1) member appointed by the governor from a list of three (3) persons submitted by the president of the Kentucky historical society, one (1) member appointed by the governor from a list of three (3) persons submitted by the president of the Kentucky library association, one (1) member appointed by the governor from a list of seven (7) persons with one (1) name submitted by each of the presidents of the state universities and colleges, and four (4) citizens-at-large. Vacancies shall be filled by the governor in the same manner as initial appointments are made. All members shall serve for a term of four (4) years, provided that one (1) of the initial appointments shall be for a term of four (4) years, one (1) for three (3) years, one (1) for two (2) years and one (1) for one (1) year. The commission shall advise the department of library and archives on matters relating to archives and records, and questions on destruction of records as set out in KRS 171.670. *The commission shall have the authority to review and approve schedules for retention and destruction of records submitted by state and local agencies. In all cases, the commission shall determine questions which relate to destruction of public records; their decision is binding on the parties concerned and final, except that the commission may reconsider or modify its actions upon the agreement of a simple majority of the membership present and voting.*

Section 3. KRS 171.440 is amended to read as follows:

The commission shall meet in the city of Frankfort, but the commission may, by majority vote, hold special or regular meetings in other locations when the work of the commission would be facilitated thereby. The commission shall hold not less than four (4) meetings during each calendar year and may hold such special meetings as may be necessary to transact the business of the commission. All meetings shall be called by the [director when directed by the] chairman, or when requested in writing by any two (2) members of the commission.

Section 4. KRS 171.450 is amended to read as follows:

(1) The department shall establish:

(a) Procedures for the compilation and submission to the department of lists and schedules of public records proposed for disposal;

(b) Procedures for the disposal or destruction of public records authorized for disposal or destruction;

(c) Standards for the reproduction of public records by photographic or microphotographic process;

(d) Procedures for collection and distribution by the central depository of all reports and publications, except the Kentucky Revised Statutes editions, issued by any department, board, commission, officer or other agency of the commonwealth for general public distribution after July 1, 1958.

(2) The department shall enforce the provisions of KRS 171.410 to 171.740 by appropriate rules and regulations.

(3) The department shall make copies of such rules and regulations available to all officials affected by KRS 171.410 to 171.740 subject to the provisions of KRS chapter 13.

(4) [It is intended that such rules and regulations be drawn in cooperation with the various state agencies and subdivisions.] Such rules and regulations when approved by the department shall be binding on all state and local agencies, subject to the provisions of KRS chapter 13. The department shall perform any acts deemed necessary, legal and proper to carry out the duties and responsibilities imposed upon it pursuant to the authority granted herein.

Section 5. KRS 171.470 is amended to read as follows:

The department is authorized to make continuing surveys of government records and records management and disposal practices and to obtain reports thereon from state and local agencies. *Professional staff of the department is authorized to develop* [; to promote, in cooperation] with [the various] state and local agencies[,] improved records management practices and controls *which are compatible with modern archival standards and facilitate* [in such agencies, including the] central storage or disposition of records not needed by such agencies for their current use[; and to report to the governor semiannually. The department shall submit a biennial report to the general assembly].

Section 6. KRS 171.530 is amended to read as follows:

The *commission* [department] shall establish standards for the selective retention of records of continuing value, and *the department shall* assist state and local agencies in applying such standards to records in their custody. The department shall notify the head of any such *public* agency of any actual, impending, or threatening unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that has come to its attention, and *initiate* [assist the head of such agency in initiating] action through the *agency head or* attorney general for the recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

Section 7. KRS 171.550 is amended to read as follows:

The department is *the sole agency of state government* authorized to establish an interim records center or centers for the storage, processing, and servicing of records of state and local agencies pending their deposit in the state archives and records center or their disposition in any other manner authorized by law, and to establish, maintain and operate centralized microfilming, photostating, indexing, decontamination and lamination and any other records repair and rehabilitation services for state and local agencies.

Section 8. KRS 171.670 is amended to read as follows:

When there is a question whether a particular record or group of records should be destroyed, the *commission shall have exclusive authority to* [department shall] decide whether or not the record or group of records are to be destroyed.

Section 9. KRS 171.990 is amended to read as follows:

(1) Any person or library board violating any of the provisions of KRS 171.240 to 171.300 shall be fined not less than ten nor more than one hundred dollars for each offense.

(2) The board for certification of Librarians may revoke the certificate of any person violating any of the provisions of KRS 171.240 to 171.300, or any of the regulations as established by the board for certification.

(3) Any person violating any of the provisions of KRS 171.450 to 171.740 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each offense.

(4) Any state employe who knowingly violates any of the provisions of KRS 171.450 to 171.740 shall be subject not only to the penalties specified above but also subject to dismissal from state employment upon a determination of fact, at a hearing, that a serious violation did occur. The employe's right to appeal to the state personnel board is not abridged or denied. In the event of an appeal, the decision of the state personnel board is final.

(5) State employes dismissed under the provision of KRS 171.990(4) shall have the right to reapply for state employment any time after three (3) months from the effective date of dismissal. Such individuals shall have the full rights and privileges accorded under applicable equal opportunity laws.

(6) Copies of this Act shall be placed in public view in libraries and archives.

The Committee Amendment No. 1 to **HB 877** is as follows:

Amend printed copy of **HB 877**, on page 1, line 17, following "(2)" to delete the remainder of the line

and on page 1, lines 18-21, to delete the same

and on page 2, lines 1-8, to delete the same;

and on page 2, line 9 to delete "*(3)*"

and on page 2, line 11, delete "*(4)*" and to remove the brackets and strike through on "(3)"

and on page 2, line 13, to delete "*(5)*" and to insert in lieu thereof "*(4)*"

HB 913, AN ACT relating to the executive mansion.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section "state curator" means the head of the unit within the department of finance with responsibilities for the management of state historic properties.

(2) The governor's mansion commission is established to provide continuing attention to the maintenance, furnishings, and repairs of the executive mansion. The commission shall be attached to the department of finance for administrative purposes.

(3) The commission shall consist of six (6) members. Among these members, one (1) shall be the state curator, one (1) shall be the director of the Kentucky historical society, one (1) shall be a resident of Franklin county with experience in restoration, and the remainder of the membership shall be selected from the state-at-large from persons with experience in historical restoration.

(4) The officers of the commission shall consist of a chairman, who shall be elected by the membership, and a secretary, who shall be responsible for the keeping of the records and administering the directions of the commission. The state curator of the Commonwealth of Kentucky shall serve as the secretary of the commission. The first lady of the Commonwealth of Kentucky shall, during her tenure, serve as the honorary chairman of the mansion commission.

(5) The public members of the commission shall be appointed by the governor and shall serve terms of four (4) years except that of the members initially appointed, one (1) member shall serve a term of one (1) year; one (1) member shall serve a term of two (2) years; one (1) member shall serve a term of three (3) years; and one (1) member shall serve a term of four (4) years. The persons holding the offices of director of the historical society and state curator shall serve terms concurrent with holding their respective office.

(6) Each commission member shall be reimbursed for his necessary travel and other expenses actually incurred in the discharge of his duties on the commission.

SECTION 2. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) The commission shall meet at least every six (6) months and whenever called into session by the chairman at the request of the governor, of any two (2) or more members of the commission, or on his own motion.

(2) The commission shall examine the executive mansion at least twice each year, and the commission shall supervise the maintenance of a current inventory of all furnishings in the executive mansion, such inventory to be maintained by the department of finance.

(3) The commission shall recommend, from time to time, on the needs for furnishings, maintenance, repair, or renovation of the executive mansion and the department of finance shall, from funds available, take such action as is recommended. The commission shall have final authority over articles placed in the mansion and monies spent on mansion restoration.

(4) The commission shall provide coordination and make arrangements for an orderly transition between outgoing and incoming chief executives.

(5) The commission shall perform the same functions required in relation to the executive mansion for the old governor's mansion insofar as they are applicable.

Section 3. KRS 11.025, Mansion committee, is repealed.

HCR 88, A CONCURRENT RESOLUTION relating to hospitalization insurance for state employes.

WHEREAS, KRS 18.470 authorizes the Secretary of Finance, upon recommendation of the Commissioner of Personnel, to procure from one or more hospitalization insurance companies or one or more health maintenance organizations authorized to do business in Kentucky a policy or policies of group hospitalization insurance or health maintenance organization coverage for state employes; and

WHEREAS, such action has been accomplished to the exclusion of all companies or organizations offering such coverage except Blue Cross-Blue Shield of Kentucky; and

WHEREAS, the Commonwealth and its employes must abide by and receive the benefits of the lowest and best criterion for the selection of state vendors generally as such applies to the purchase of such insurance coverage;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Department of Finance, in consultation with the Department of Personnel, examine group hospitalization insurance coverage or health maintenance organization coverage available for state employes, as alternatives to the present such coverage provided by Blue Cross-Blue Shield of Kentucky.

Section 2. That such examination of alternatives be conducted in an effort to provide the best coverage available for such employes at the lowest possible cost to them and to the Commonwealth.

Section 3. That the department shall report to the Legislative Research Commission not later than September 1, 1980, its findings resulting from such examination.

The Committee on State Government, reported **HB 532,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Substitute to **HB 532** is as follows:

HB 532, AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 342.038 is amended to read as follows:

(1) Every employer subject to this chapter shall keep a record of all injuries fatal or otherwise, received by his employes in the course of their employment. Within one (1) week after the occurrence and knowledge, as provided in KRS 342.185 to 342.200, of an injury to an employe causing his absence from work for more than one (1) day, a report thereof shall be made in writing and mailed to the board on blanks procured from the board for the purpose.

(2) The report shall contain the name, nature, and location of the business of the employer and name, age, sex, wages, and occupation of the injured employe, and shall state the date and hour of the accident causing the injury, the nature and cause of the injury, and any other information required by the board.

(3) Every employer or insurer subject to this chapter shall file additional reports *covering specifically voluntary payments and settlements, and such other reports* as are required by the workmen's compensation board *by regulation* for the determination of the promptness of voluntary payment and validity and fairness of agreements. In addition, the board may require additional information as may be necessary to comply with a federal statute or regulation or any state statute.

(4) Upon the termination of the disability of the injured employe, or if the disability extends beyond a period of sixty (60) days, then also at the expiration of such period the employer shall make a supplementary report to the board on blanks procured from the board for the purpose.

Section 2. KRS 342.075 is amended to read as follows:

(1) The following persons shall be presumed to be wholly dependent upon a deceased employe:

(a) A surviving spouse upon a decedent whom the surviving spouse had not voluntarily abandoned at the time of the accident, or who having been abandoned by the decedent has not engaged in such conduct since his abandonment as would at common law constitute grounds justifying the abandonment of such wife by her husband or such husband by his wife;

(b) A child or children under the age of sixteen (16) years, or over sixteen (16) years if incapacitated from wage earning, upon the parent with whom such child or children are living, or by whom actually supported, or from whom support is legally required by judgment of a court, at the time of the accident.

(2) In all other cases the relation of dependency in whole or in part shall be determined in accordance with the facts of each case existing at the time of the accident.

(3) No person shall be considered a dependent in any degree unless he is living in the household of the employe at the time of the accident, or unless such person bears to the employe the relation of father, mother, husband, or wife, father-in-law or mother-in-law, grandfather or grandmother, child or grandchild, or brother or sister of the whole or half blood *and is actually dependent.*

Section 3. KRS 342.120 is amended to read as follows:

(1) A claimant may in the original application for benefits, or either party may by motion while the case is pending, accompanied by proper allegations, and the board shall upon its own motion at any time

before the rendition of the final award, cause the special fund to be made a party to the proceedings if either or both of the following appears:

(a) The employe is disabled, whether from a compensable injury, occupational disease, pre-existing disease, or otherwise, and has received a subsequent compensable injury by accident, or has developed an occupational disease;

(b) The employe is found to have a dormant non-disabling disease or condition which was aroused or brought into disabling reality by reason of a subsequent compensable injury by accident or an occupational disease.

(2) When the special fund has been made a party the board shall direct the procedures provided in KRS 342.121.

(3) If it is found that the employe is a person mentioned in paragraphs (a) or (b) of subsection (1) of this section and a subsequent compensable injury or occupational disease has resulted in additional permanent disability so that the degree of disability caused by the combined disabilities is greater than that which would have resulted from the subsequent injury or occupational disease alone, and the employe is entitled to receive compensation on the basis of the combined disabilities, the employer shall be liable only for the degree of disability which would have resulted from the latter injury or occupational disease had there been no pre-existing disability or dormant, but aroused disease or condition.

(4) The remaining compensation for which such resulting condition would entitle the employe, including any compensation for disability resulting from a dormant disease or condition aroused into disabling reality by the injury or occupational disease, but excluding all compensation which the provisions of this chapter would have afforded on account of prior disabling disease or injury had it been compensated thereunder, shall be paid out of the special fund provided for in KRS 342.122. Such remaining compensation shall be paid directly to the employe by the carrier or self-insured employer who is liable for compensation under subsection (3) of this section, and the carrier or self-insured employer shall be reimbursed for such payments from the special fund on a quarterly basis and under such regulations as the board may provide for such purpose.

(5) *In making the computation for the apportionment of benefits under subsections (3) and (4) of this section, the board shall first determine the amount of the employe's weekly income benefits; exclude from the award the percentage thereof attributable to the pre-existing active disability or the prior disabling injury, disease or condition; and apportion the balance between the employer and special fund as provided in subsections (3) and (4) of this section.* [If it is found that the employe is a person mentioned in paragraphs (a) or (b) of subsection (1) of this section, and a subsequent compensable injury or occupational disease has resulted in additional permanent disability, so that the degree of disability caused by the combined disabilities is greater than that which would have resulted from the subsequent injury or occupational disease alone, and the employe is entitled to receive compensation on the basis of the combined disabilities, and when applying the formula for income benefits to the employer's and special fund's percentage of disability, and the income benefits exceed the limitation contained in KRS 342.740, then in that event the special fund's and employer's liability shall be reduced proportionately to the point where the shares of each, when combined, do not exceed the limitation established by KRS 342.740.]

Section 4. KRS 342.125 is amended to read as follows:

(1) Upon its own motion or upon the application of any party interested and a showing of change of conditions, mistake or fraud or newly discovered evidence, the board may at any time review any award or order, ending, diminishing or increasing the compensation previously awarded, within the maximum and minimum provided in this chapter, or change or revoke its previous order, sending immediately to the parties a copy of its subsequent order or award. Review under this section shall be had upon notice to the parties interested and *in the same manner as provided for an initial proceeding hereunder but* shall not affect the previous order or award as to any sums already paid thereunder. However, the employer shall not suspend the payment of benefits during the pendency of any reopening procedures.

(2) Where an agreement has become an award by approval of the board, and a review of such an award is initiated, no statement contained in the agreement, whether as to jurisdiction, liability of the employer, nature and extent of disability, or as to any other matter, shall be considered by the board as an admission against the interests of any party. The parties may raise any issue upon review of this type of award which could have been considered upon an original application for benefits.

Section 5. KRS 342.140 is amended to read as follows:

[Except as otherwise provided in this chapter,] The average weekly wage of the injured employe at the time of the injury or last injurious exposure shall be [taken as the basis upon which to compute compensation and shall be] determined *as follows:* [according to this section and KRS 342.143.]

(1) If at the time of the injury which resulted in death or disability or the last date of injurious exposure preceding death or disability from an occupational disease:

(a) The wages were fixed by the week, the amount so fixed shall be the average weekly wage;

(b) The wages were fixed by the month, the average weekly wage shall be the monthly wage so fixed multiplied by twelve (12) and divided by fifty-two (52);

(c) The wages were fixed by the year, the average weekly wage shall be the yearly wage so fixed divided by fifty-two (52);

(d) The wages were fixed by the day, hour, or by the output of the employe, the average weekly wage shall be the wage most favorable to the employe computed by dividing by thirteen (13) the wages (not including overtime or premium pay) of said employe earned in the employ of the employer in the first, second, third, or fourth period of thirteen (13) consecutive calendar weeks in the fifty-two (52) weeks immediately preceding the injury.

(e) The employe had been in the employ of the employer less than thirteen (13) calendar weeks immediately preceding the injury, his average weekly wage shall be computed under paragraph (d), taking the wages (not including overtime or premium pay) for such purpose to be the amount he would have earned had he been so employed by the employer the full thirteen (13) calendar weeks immediately preceding the injury and had worked, when work was available to other employes in a similar occupation.

(f) The hourly wage has not been fixed or cannot be ascertained, the wage for the purpose of calculating compensation shall be taken to be the usual wage for similar services where such services are rendered by paid employes.

(2) In occupations which are exclusively seasonal and therefore cannot be carried on throughout the year, the average weekly wage shall be taken to be one-fiftieth (1/50) of the total wages which the employe has earned from all occupations during the twelve (12) calendar months immediately preceding the injury.

(3) In the case of volunteer firemen, police, and civil defense members or trainees, the income benefits shall be based on the average weekly wage in their regular employment.

(4) If the employe was a minor, apprentice or trainee when injured, and it is established that under normal conditions his wages should be expected to increase during the period of disability, that fact may be considered in computing his average weekly wage.

(5) When the employe is working under concurrent contracts with two (2) or more employers and the defendant employer has knowledge of such employment prior to the injury, his wages from all such employers shall be considered as if earned from the employer liable for compensation.

(6) The term "wages" as used in this section and KRS 342.143 means, in addition to money payments for services rendered, the reasonable value of board, rent, housing, lodging, and fuel or similar advantage received from the employer, and gratuities received in the course of employment from others than the employer to the extent such gratuities are reported for income tax purposes.

(7) The board shall, from time to time, based upon the best available information, determine by regulation industries which ordinarily do not have a full working day for five (5) days in every week. In such industries compensation shall be computed at the average weekly wage earned by the employe at the time of injury reckoning wages as earned while working full time. "At full time" as used herein means a full working day for five (5) working days in every week regardless of whether the injured employe actually worked all or part of the time.

Section 6. KRS 342.150 is amended to read as follows:

Whenever compensation has been paid for not less than six months, thereafter, on the application of *all parties* [either party and upon notice to the other party,] in any case where the board determines that it will be for the best interests of *all parties* [either party] and will not subject the employer or his insurer to an undue risk of overpayment, future payments of compensation or any part thereof may be commuted to a lump sum of an amount which will equal the total sum of the probable future payments so commuted, discounted at four percent true discount compounded annually on each payment. Upon payment of such lump sum all liability for the payments therein commuted shall cease.

Section 7. KRS 342.155 is amended to read as follows:

Whenever the board considers it expedient, any lump sum which is paid as provided in KRS 342.150 hereof shall be paid to any suitable person appointed by the *district court* [county judge/executive] of the county of the residence of the injured employe or of his dependents as trustee to administer or apply the same for the benefit of the person or persons entitled thereto. The receipt of such trustee for the amount so paid to him shall discharge the employer and his insurer. Except as otherwise herein specifically provided, the manner of qualification and the rights, duties and liabilities of such trustee shall be determined by the general laws of this state.

Section 8. KRS 342.185 is amended to read as follows:

No proceeding under this chapter for compensation for an injury or death shall be maintained unless a notice of the accident shall have been given to the employer as soon as practicable after the happening thereof and unless *an application for adjustment of claim* [a claim] for compensation with respect to such injury shall have been made *with the board* within two (2) years after the date of the accident, or in case of death, within two (2) years after such death, whether or not a claim has been made by the employe himself for compensation. Such notice and such claim may be given or made by any person claiming to be entitled to compensation or by someone in his behalf. If payments of compensation as such have been made voluntarily the *filing of an application for adjustment of claim with the board* [making of a claim] within such period shall not be required, but shall become requisite within one (1) year following the suspension of such voluntary payments or within two (2) years of the date of the accident, whichever is later.

Section 9. KRS 342.205 is amended to read as follows:

(1) After an injury and so long as compensation is claimed, the workman, if requested by *a party* [his employer] or by the board, shall submit himself to examination, at *a* reasonable time and *place* [places], to a duly qualified physician or surgeon designated and paid by the *requesting party* [employer]. The employe shall have the right to have a duly qualified physician or surgeon designated and paid by himself present at such examination, but this right shall not deny the *requesting party's* [employer's] physician or surgeon the right to *examine* [visit] the injured employe at all reasonable times and under all reasonable conditions.

(2) Any employe receiving benefits under this Act may be required, upon request of any party, to furnish a sworn affirmed statement of earnings and such other supporting information as the board may require.

(3) The board shall supply forms for such report.

(4) If an employe refuses to submit himself to or in any way obstructs such examination his right to take or prosecute any proceedings under this chapter shall be suspended until such refusal or obstruction ceases. No compensation shall be payable for the period during which the refusal or obstruction continues.

Section 10. KRS 342.215 is amended to read as follows:

The Workmen's Compensation Board shall consist of five members appointed by the Governor and shall be attached to the Department of Labor for administrative services. *Members shall devote their entire time to the duties of their offices.*

(1) Of the members first appointed under this *Act* [chapter], one (1) shall serve until *July 15, 1981; one (1) until July 15, 1982; one (1) until July 15, 1983; and two (2) until July 15, 1984* [January 1, 1974; one until January 1, 1975; one until January 1, 1976; and two until January 1, 1977]. Thereafter, each term shall run for four years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy prior to the expiration of such a term shall be appointed for the remainder of the term. Each member of the board shall hold office until his successor is appointed and qualifies. The members of the board shall have the qualifications required of Circuit Judges. The Governor shall designate a member of the board to serve as chairman. Any vacancy in the chairmanship shall be filled by the Governor. The Governor may at any time remove any member for cause after furnishing him with a written copy of the charges against him and giving him a public hearing if he requests it. Each member of the board shall be paid a salary *equal to that of a circuit judge* [in accord with the provisions of KRS 64.640].

(2) A decision concurred in by any three members shall constitute a decision of the board, unless there are two unfilled vacancies in which case a majority of the remaining members shall constitute a decision of the board.

(3) The terms of all members of the Workmen's Compensation Board who are in office prior to the effective date of this chapter shall automatically expire on *July 15, 1980* [January 1, 1973], any other statute to the contrary notwithstanding.

Section 11. KRS 342.285 is amended to read as follows:

(1) An award or order of the board as provided in KRS 342.275, if petition for reconsideration is not filed as provided for in KRS 342.281, shall be conclusive and binding as to all questions of fact, but either party may within twenty days after the rendition of such final award or order of the board, by petition appeal to the circuit court that would have jurisdiction to try an action for damages for the injuries if this chapter did not exist, for the review of such order or award, the board and the adverse party being made respondents. The board shall be named respondent as the workmen's compensation board, and service shall be had on the director.

(2) The petition shall state fully the grounds upon which a review is sought, and assign all errors relied on. Summons shall issue upon the petition directing the adverse party to file answer and cross-appeal, if appropriate, within twenty days after service thereof and directing the board to send its entire original record, properly bound, to the clerk of the circuit court, after certifying that such record is its entire original record, which shall be filed by the clerk of the circuit court and such record shall then become and be considered by the circuit court on the review.

(3) No new or additional evidence may be introduced in the circuit court except as to the fraud or misconduct of some person engaged in the administration of this chapter and affecting the order, ruling or award, but the court shall otherwise hear the cause upon the record as certified by the board and shall dispose of the cause in summary manner *as in the case of all other appeals to the circuit court.* [The court shall not substitute its judgment for that of the board as to the weight of evidence on questions of fact, its review being limited to determining whether or not:

(a) The board acted without or in excess of its powers;
(b) The order, decision, or award was procured by fraud;
(c) The order, decision, or award is not in conformity to the provisions of this chapter;

(d) The order, decision, or award is clearly erroneous on the basis of the reliable, probative, and material evidence contained in the whole record; or

(e) The order, decision, or award is arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.]

(4) The board and each party may appear in such review proceedings; the court shall enter judgment affirming, modifying or setting aside the order, decision or award, or in its discretion remanding the cause to the board for further proceedings in conformity with the direction of the court. The court may, before judgment and upon a sufficient showing of fact, remand the cause to the board.

(5) The appeal shall be advanced on the circuit court docket without motion or notice.

Section 12. KRS 342.316 is amended to read as follows:

(1) (a) The employer liable for compensation for occupational disease shall be the employer in whose employment the employe was last exposed to the hazard of the occupational disease during any period in which this section is applicable to a coal mine, an operator who acquired it or substantially all of its assets from a person who was its operator on and after January 1, 1973 shall be liable for, and secure the payment of, the benefits which would have been payable by the prior operator under this section with respect to miners previously employed in the mine if it had not been acquired by such later operator. At the same time, however, this subsection does not relieve the prior operator of any liability under this section. Also, it does not affect whatever rights the later operator might have against the prior operator. Said employer shall have the right to contribution from each previous employer, as determined in an independent civil action, wherein the employe was similarly exposed to the hazard of said occupational disease, in a sum equal to the ratio that each exposure employment time bears to the total exposure employment time except as otherwise provided in paragraph (a) of subsection (13) of this section.

(b) The time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later.

(2) (a) The procedure with respect to the giving of notice and determination of claims in occupational disease cases and the compensation and medical benefits payable for disability or death due to such disease shall be the same as in cases of accidental injury or death under the general provisions of this chapter except that notice of claim shall be given to the employer as soon as practicable after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted such disease, or a diagnosis of such disease is first communicated to him, whichever shall first occur.

(b) The procedure with respect to filing of claims shall be as follows:

1. The application shall set forth the work history of the applicant with a concise description of injurious exposure to a specific occupational disease together with the names and addresses of employer or employers with the approximate date of employment and shall also include with the application two written medical reports supporting his claim. These medical reports shall be made on the basis of comprehensive clinical examinations and shall contain full and complete statements of the results thereof. The reports shall be made by duly licensed physicians. The clinical examinations shall include x-ray examinations. However, the failure of an x-ray examination to disclose the presence of an occupational disease shall not affect the legal presumption referred to in subsection (5) of this section.

2. The filing of a properly executed application for adjustment of claim, accompanied by the two medical reports described in subparagraph 1. of this paragraph, shall satisfy the requirements of the presumptive clause set out in subsection (5) of this section and the burden of proof shall immediately thereafter shift to the employer and the special fund.

3. Immediately upon receipt of said application for adjustment of claim, the board shall notify the affected employer, the special fund and any other interested party of such claim and shall furnish them with a full and complete copy of the claim.

4. Upon receipt of notice of claim the employer, the special fund, and any other interested party shall have the right to have the claimant examined by competent medical experts, at their expense, including a reasonable sum for travel. After said examination, the claimant or his representative, shall be furnished a copy of said medical report within a reasonable time.

5. Within *ninety (90)* [sixty (60)] days of the *receipt of notice by the employer of the* filing of the claim, the employer, the special fund, and any other interested party shall notify the board and the claimant whether or not the claim will be resisted. If the claim is not resisted, then the board shall within ten (10) days enter an order and award for the claimant. If the claim is resisted, the board shall set a date for a hearing and shall notify all parties thereof. In litigated claims the regular procedures prescribed by the workmen's compensation board shall be followed.

(3) The right to compensation under this chapter for disability resulting from an occupational disease shall be forever barred unless a claim is filed with the workmen's compensation board within three (3) years after the last injurious exposure to the occupational hazard or after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that

he has contracted the disease, whichever shall last occur; and if death results from the occupational disease within said period, unless a claim therefor be filed with the workmen's compensation board within three (3) years after such death; provided, however, that notice of such claim shall be deemed waived in case of disability or death where the employer, or his insurance carrier, voluntarily makes payment therefor, or, if the incurrence of the disease or the death of the employe, and its cause was known to the employer. Provided, however, that the right to compensation for any occupational disease shall be forever barred unless a claim is filed with the workmen's compensation board within five (5) years from the last injurious exposure to the occupational hazard, except that, in cases of radiation disease, a claim must be filed within 20 years from the last injurious exposure to the occupational hazard.

(4) The amount of compensation payable for disability due to occupational disease or for death from such disease, and the time and manner of its payment, shall be the same as provided for accidental injury or death under the general provisions of the workmen's compensation act, but in no event to exceed such amounts as were in effect at the time of the last injurious exposure, and provided further, that the time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later, and provided further, that in case of death where the employe has been awarded compensation or made timely claim within the period provided for in this section, an employe has suffered continuous disability to the date of his death occurring at any time within 20 years from the date of disability, his dependents, if any, shall be awarded compensation for his death as provided for under the general provisions of the workmen's compensation act and in this section.

(5) Where the occupational disease is a compensable pneumoconiosis and there has been employment exposure for 10 years or more to an industrial hazard sufficient to cause the disability of pneumoconiosis there shall be a rebuttable presumption that the disability or death was due to the compensable pneumoconiosis.

(6) Where the employe is suffering or suffered from a chronic dust disease of the lung which (a) when diagnosed by chest roentgenogram, yields one or more large opacities (greater than one (1) centimeter in diameter) and would be classified in category A, B, or C in the international classification of radiographs of the pneumoconioses by the international labor organization, (b) when diagnosed by biopsy or autopsy, yields massive lesions in the lung, or (c) when diagnosis is made by other means, would be a condition which could reasonably be expected to yield results described in paragraph (a) or (b) if diagnosis had been made in the manner prescribed in paragraph (a) or (b), then there shall be an irrebuttable presumption that he is totally disabled due to pneumoconiosis or that his death was due to pneumoconiosis, as the case may be.

(7) In case of disability or death from silicosis, coal workers' pneumoconiosis, or any other compensable pneumoconiosis, complicated with tuberculosis of the lungs, pulmonary emphysema or other pulmonary dysfunction and there has been employment exposures to harmful dust or industrial hazards reasonably competent to produce such accompanying disease or dysfunction, there is a rebuttable legal presumption that all resultant disability therefrom is work related and compensable, and compensation shall be payable as for the uncomplicated disease, provided, however, that the disease or dysfunction was an essential factor in causing such disability or death.

(8) If an autopsy has been performed, no testimony relative thereto shall be competent unless the employer or his representative has available findings and reports of the pathologist or doctor who performed the autopsy examination.

(9) No compensation shall be payable for occupational disease if the employe at the time of entering the employment of the employer by whom compensation would otherwise be payable, falsely represented himself, in writing, as not having been previously disabled, laid off, or compensated in damages or otherwise, because of such disease, or failed or omitted truthfully to state to the best of his knowledge, in answer to written inquiry made by the employer, the place, duration and nature of previous employment, or, to the best of his knowledge, the previous state of his health.

(10) No compensation for death from occupational disease shall be payable to any person whose relationship to the deceased, which, under the provisions of this chapter would give right to compensation, arose, subsequent to the beginning of the first compensable disability, save only to after-born children of a marriage existing at the beginning of such disability.

(11) Whenever any claimant misconceives his remedy and files an application for adjustment of claim under the general provisions of this chapter and it is subsequently discovered, at any time before the final disposition of such cause, that the claim for injury, disability or death which was the basis for such application should properly have been made under the provisions of this section, then the application so filed may be amended in form or substance, or both, to assert a claim for such injury, disability or death under the provisions of this section, and it shall be deemed to have been so filed as amended on the date of the original filing thereof, and such compensation may be awarded as is warranted by the whole evidence pursuant to the provisions of this chapter. When such amendment is submitted, further or additional evidence may be heard by the board when deemed necessary. Nothing this section contains shall be construed to be or permit a waiver of any of the provisions of this chapter with reference to notice of time for filing of a

claim, but notice of filing a claim, if given or done, shall be deemed to be a notice of filing of a claim under provisions of this chapter, if given or done within the time required herein.

(12) When an employe has an occupational disease that is covered by this chapter, the employer in whose employment he was last injuriously exposed to the hazard of the disease, and the employer's insurance carrier, if any, at the time of the exposure, shall alone be liable therefor, without right to contribution from any prior employer or insurance carrier; except as otherwise provided herein.

(13) (a) The employer liable for compensation for occupational diseases, other than silicosis or any other compensable pneumoconiosis, which developed to the point of disablement only after an exposure of five (5) or more years, or for non-coal worker's silicosis and any other compensable pneumoconiosis, shall be the employer in whose employment the employe was last exposed to the hazard of such occupational disease. In those cases where disability or death are not conclusively proven to be the result of such last exposure all compensation shall be paid out of the special fund for all claims filed prior to January 1, 1973; and 75 percent shall be paid by the special fund and 25 percent by the employer for all claims filed *prior to July 15, 1980 and 40 percent shall be paid by the special fund and 60 percent by the employer for all claims filed* thereafter. In all other cases of occupational diseases, other than silicosis or any other compensable pneumoconiosis, which developed to the point of disablement only after an exposure of five (5) or more years, or for non-worker's silicosis and any other compensable pneumoconiosis, the compensation for disability or death due to such diseases shall be paid jointly by the employer and the special fund, and the employer shall be liable for sixty percent (60%) of the compensation due and the special fund shall be liable for forty percent (40%) of the compensation due. Provided, however, that when there is a joint award against the carrier or self-insured employer and the special fund under this section, all of the compensation awarded shall be paid from the special fund and the special fund shall be reimbursed by the carrier or self-insured employer on a quarterly basis and under such regulations as the board may provide for such purpose.

(b) In all claims for compensation partially payable by the special fund the commissioner of labor, as custodian of said fund, shall be designated as codefendant.

(c) In all agreements for the payment of compensation and awards the amount payable by the employer and the amount payable out of the special fund shall be separately stated. An award against the employer shall be for only the percentage of the total compensation which the employer is obligated to pay. A separate award shall be made against the special fund for the balance of the compensation payable. Nothing in this section shall prohibit the commissioner of labor, as custodian of the special fund, from entering into agreements to pay the compensation for which it is liable; provided, however, that where compensation is payable by both the employer and the special fund, the commissioner shall not enter into an agreement unless the employer is a party to the agreement.

Section 13. KRS 342.350 is amended to read as follows:

(1) In order to comply with KRS 342.340 groups of employers may form, either among themselves or with employers in other states, mutual insurance associations or reciprocal or interinsurance exchanges subject to the insurance laws of this state and such reasonable conditions and restrictions not inconsistent therewith as may be fixed by the board. Membership in such mutual insurance associations or reciprocal or interinsurance exchanges so approved, together with evidence of the payment of premiums due, shall be evidence of compliance with KRS 342.340.

(2) The board may, except as provided in subsection (3), require any mutual insurance association or reciprocal or interinsurance exchange to purchase an annuity or to effect reinsurance with a company authorized to transact insurance in this state or to make such deposit with a bank or trust company of this state as shall in either case be approved by the board for the purpose of fully securing the payment of all deferred instalments upon any claim for compensation.

(3) Any mutual insurance association or reciprocal or interinsurance exchange possessing a surplus of at least one hundred thousand dollars ($100,000) and not less in amount than the capital required of a domestic stock insurance company transacting the same kind of insurance, shall not be required to purchase an annuity or effect reinsurance with a company authorized to transact insurance in this state or to make such a deposit with a bank or trust company of this state for the purpose of fully securing the payment of all deferred instalments upon any claim for compensation.

(4) In addition, the board, under rules and regulations as it *shall* [may] prescribe, may permit two (2) or more employers to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as self-insurers [and each employer member of such approved group shall be classified as a self-insurer as defined under this chapter]. Employers securing certification as group self-insurers are regulated by the rules and regulations drawn by the workmen's compensation board and are not to be in any way subject to the provisions of subsections (1), (2), and (3) of this section; provided, however, that the Governor may assign the regulatory authority under this subsection to another board or agency pursuant to KRS 12.025.

Section 14. KRS 342.445 is amended to read as follows:

Every insurance carrier including the parties to any interindemnity contract or reciprocal plan or scheme, *or group self-insurers as authorized by KRS 342.350(4)* insuring employers in this state against liability for personal injuries to their employes, or death caused thereby under this chapter, shall pay a tax upon the premium received, whether in cash or notes, in this state or on account of business done in this state, for such insurance in this state, at the rate of two per cent (2%) of the amount of the premium. This tax shall be in lieu of all other taxes on such premiums. It shall be assessed and collected as provided in KRS 342.450. Such insurance carriers shall be credited with all canceled or returned premiums, including dividends paid or credited to policyholders, and with premiums received for reinsurance assumed from companies authorized and licensed to transact business in this state.

Section 15. KRS 342.620 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Injury" means any work related harmful *physical* change in the human organism, *arising out of and in the course of employment* including damage to or loss of a prosthetic appliance, but does not include any communicable disease unless the risk of contracting such disease is increased by the nature of the employment. "Injury" when used generally, unless the context indicates otherwise, shall include an occupational disease.

(2) "Occupational disease" means a disease arising out of and in the course of the employment.

(3)[(a)] *An occupational* [A] disease *as defined in this section* shall be deemed to arise out of the employment if there is apparent to the rational mind, upon consideration of all the circumstances, a causal connection between the conditions under which the work is performed and the occupational disease, and which can be seen to have followed as a natural incident to the work as a result of the exposure occasioned by the nature of the employment and which can be fairly traced to the employment as the proximate cause. The *occupational* disease shall be incidental to the character of the business and not independent of the relationship of employer and employe. *An occupational* [The] disease need not have been foreseen or expected but, after its contraction, it must appear to be related to a risk connected with the employment and to have flowed from that source as a rational consequence.

(4)[(b)] "Injurious exposure" as used in KRS 342.316 shall mean that exposure to occupational hazard which would, independently of any other cause whatsoever, produce or cause the disease for which claim is made.

(5)[(3)] "Death" means death resulting from an injury or occupational disease.

(6)[(4)] "Carrier" means any insurer, or legal representative thereof, authorized to insure the liability of employers under this chapter and includes a self-insurer.

(7)[(5)] "Self-insurer" is an employer who has been authorized under the provisions of this chapter to carry his own liability on his employes covered by this chapter.

(8)[(6)] "Department" means the department of labor.

(9)[(7)] "Director" means the director of the workmen's compensation board.

(10)[(8)] "Board" means the workmen's compensation board.

(11)[(9)] "Disability" means *a bodily functional impairment which may be accompanied by a decrease of wage earning capacity due to the injury or occupational disease. Wage-earning capacity prior to injury shall be the employe's average weekly wage as calculated under KRS 342.140. Wage-earning capacity after the injury shall be presumed to be the employe's actual average weekly wage after the injury as calculated under KRS 342.140. This presumption may be overcome by showing that the employe's earnings after the injury do not fairly and reasonably represent his wage earning capacity in light of* [, except for purposes of KRS 342.730(1)(c) relating to scheduled losses, a decrease of wage earning capacity due to injury or loss of ability to compete to obtain] the kind of work the employe is customarily able to do, in the area where he lives, taking into consideration his age, occupation, education, effect upon employe's general health of continuing in the kind of work he is customarily able to do, and impairment or disfigurement.

(12)[(10)] "Income benefits" means payments made under the provisions of this chapter to the disabled worker or his dependents in case of death, excluding medical and related benefits.

(13)[(11)] "Medical and related benefits" means payments made for medical, hospital, burial and other services as provided in this chapter other than income benefits.

(14)[(12)] "Compensation" means all payments made under the provisions of this chapter representing the sum of income benefits and medical and related benefits.

(15)[(13)] "Medical services" means medical, surgical, dental, hospital, nursing and medical rehabilitation services, medicines, and fittings for artificial or prosthetic devices.

(16)[(14)] "Person" means any individual, partnership, firm, association, trust, joint venture, corporation, or legal representative thereof.

(17)[(15)] "Wages" means, in addition to money payments for services rendered, the reasonable value of board, rent, housing, lodging, fuel or similar advantages received from the employer, and gratuities received in the course of employment from others than the employer as evidenced by the employe's federal and state tax returns.

(18)[(16)] "Agriculture" means the operation of farm premises, including the planting, cultivation, producing, growing, harvesting and preparation for market of agricultural or horticultural commodities thereon, the raising of livestock for food products and for racing purposes, and poultry thereon, and any work performed as an incident to or in conjunction with such farm operations. It shall not include the commercial processing, packing, drying, storing, or canning of such commodities for market, or making cheese or butter or other dairy products for market.

(19)[(17)] "Beneficiary" means any person who is entitled to income benefits or medical and related benefits under this chapter.

(20)[(18)] "United States" when used in a geographic sense, means the several states, the District of Columbia, the commonwealth of Puerto Rico, the Canal Zone, and the territories of the United States.

(21)[(19)] "Alien" means a person who is not a citizen, a national or a resident of the United States or Canada. Any person not a citizen or national of the United States who relinquishes or is about to relinquish his residence in the United States shall be regarded as an alien.

[(20) Except as otherwise provided in KRS 342.750, the formula for income benefits shall be 66-⅔ percent of the average weekly wages of the employe at the time of his injury, multiplied by the percentage of disability caused by the injury or occupational disease, subject to the limitation contained in KRS 342.740. Income benefits shall be payable during the applicable compensable period which is either (a) the specified number of weeks, or (b) the period of occupational disability during which the employe is disabled, or (c) where death results from the injury, the period during which the deceased's dependents qualify as such, or (d) where death is unrelated to the injury, the period during which the deceased's dependents qualify as such or during the period of the deceased's normal life expectancy, whichever is less.]

Section 16. KRS 342.670 is amended to read as follows:

(1) If an employe, while working outside the territorial limits of this state, suffers an injury on account of which he, or in the event of his death, his dependents, would have been entitled to the benefits provided by this chapter had such injury occurred within this state, such employe, or in the event of his death resulting from such injury, his dependents, shall be entitled to the benefits provided by this chapter, provided that at the time of such injury:

(a) His employment is principally localized in this state, or

(b) He is working under a contract of hire made in this state in employment not principally localized in any state, or

(c) He is working under a contract of hire made in this state in employment principally localized in another state whose workmen's compensation law is not applicable to his employer, or

(d) He is working under a contract of hire made in this state for employment outside the United States and Canada.

(2) The payment or award of benefits under the workmen's compensation law of another state, territory, province or foreign nation to an employe or his dependents otherwise entitled on account of such injury or death to the benefits of this chapter shall not be a bar to a claim for benefits under this chapter, provided that claim under this chapter is filed within two (2) years after such injury or death. If compensation is paid or awarded under this chapter:

(a) The medical and related benefits furnished or paid for by the employer under such other workmen's compensation law on account of such injury or death shall be credited against the medical and related benefits to which the employe would have been entitled under this chapter had claim been made solely under this chapter;

(b) The total amount of all income benefits paid or awarded the employe under such other workmen's compensation law shall be credited against the total amount of income benefits which would have been due the employe under this chapter, had claim been made solely under this chapter;

(c) The total amount of death benefits paid or awarded under such other workmen's compensation law shall be credited against the total amount of death benefits due under this chapter;

(3) If any employe is entitled to the benefits of this chapter by reason of an injury sustained in this state in employment by an employer who is domiciled in another state and who has not secured the payment of compensation as required by this chapter, the employer or his carrier may file with the board a certificate, issued by the commission or agency of such other state having jurisdiction over workmen's compensation claims, certifying that such employer has secured the payment of compensation under the workmen's compensation law of such other state and that with respect to said injury such employe is entitled to the benefits provided under such law, and that the benefits to which such employe or his dependents is entitled are at least as great as those to which he would be entitled if the injury occurred and was processed under Kentucky law, under Kentucky coverage. In such event:

(a) The filing of such certificate shall constitute an appointment by such employer or his carrier of the board as his agent for acceptance of the service of process in any proceeding brought by such employe or his dependents to enforce his or their rights under this chapter on account of such injury;

(b) The board shall send to such employer or carrier, by registered or certified mail to the address shown on such certificate, a true copy of any notice of claim or other process served on the board by the employe or his dependents in any proceeding brought to enforce his or their rights under this chapter;

(c) 1. If such employer is a qualified self-insurer under the workmen's compensation law of such other state, such employer shall, upon submission of evidence satisfactory to the board, of his ability to meet his liability to such employe under this chapter, be deemed to be a qualified self-insurer under this chapter;

2. If such employer's liability under the workmen's compensation law of such other state is insured, such employer's carrier, as to such employe or his dependents only, shall be deemed to be an insurer authorized to write insurance under and be subject to this chapter; provided, however, that unless its contract with said employer requires it to pay an amount equivalent to the compensation benefits provided by this chapter, its liability for income benefits or medical and related benefits shall not exceed the amounts of such benefits for which such insurer would have been liable under the workmen's compensation law of such other state;

(d) If the total amount for which such employer's insurance is liable under (c) above is less than the total of the compensation benefits to which such employe is entitled under this chapter, the board may, if it deems it necessary, require the employer to file security, satisfactory to the board, to secure the payment of benefits due such employe or his dependents under this chapter, and

(e) Upon compliance with the preceding requirements of this subsection (3), such employer, as to such employe only, shall be deemed to have secured the payment of compensation under this chapter.

(4) As used in this section:

(a) "United States" includes only the states of the United States and the District of Columbia;

(b) "State" includes any state of the United States, the District of Columbia, or any Province of Canada;

(c) "Carrier" includes any insurance company licensed to write workmen's compensation insurance in any state of the United States or any state or provincial fund which insures employers against their liabilities under a workmen's compensation law;

(d) A person's employment is principally localized in this or another state when:

1. His employer has a place of business in this or such other state and he regularly works at or from such place of business, or

2. If subparagraph 1. foregoing is not applicable, he is domiciled and spends a substantial part of his working time in the service of his employer in this or such other state;

(e) An employe whose duties require him to travel regularly in the service of his employer in this and one or more other states may, by written agreement with his employer, provide that his employment is principally localized in this or another such state, and, unless such other state refuses jurisdiction, such agreement shall be given effect under this chapter;

(f) "Workmen's compensation law" includes "occupational disease law."

Section 17. KRS 342.710 is amended to read as follows:

(1) One of the primary purposes of this chapter shall be restoration of the injured employe to gainful employment. To this end there is hereby created a rehabilitation panel which shall be composed of the director and specialists in medical and vocational rehabilitation to be appointed by the board.

(2) The panel shall continuously study the problems of rehabilitation, both physical and vocational, and shall investigate and maintain a directory of all rehabilitation facilities, both private and public. The board in consultation with the panel, shall approve as qualified such facilities, institutions and physicians as are capable of rendering competent rehabilitation service to seriously injured employes. No facility or institution shall be considered as qualified unless it is specifically equipped to provide rehabilitation services for persons suffering either from some specialized type of disability or general type of disability within the field of occupational injury and is staffed with trained and qualified personnel, and with respect to physical rehabilitation, unless it is supervised by a physician qualified to render such service. No physician shall be considered qualified unless he has had the experience and training specified by the board.

(3) An employe who has suffered an injury covered by this chapter shall be entitled to prompt medical rehabilitation services *for whatever period of time necessary to accomplish physical rehabilitation goals which are feasible, practical, and justifiable*. When as a result of the injury he is unable to perform work for which he has previous training or experience, he shall be entitled to such vocational rehabilitation services, including retraining and job placement, as may be reasonably necessary to restore him to suitable employment. *In all such instances, the board shall inquire whether* [If] such services *have been* [are not] voluntarily offered and accepted.[,] The board on its own motion, or upon application of *any party* [the employe, employer] or carrier, after affording the parties an opportunity to be heard [by the panel], may refer the employe to a qualified physician or facility for evaluation of the practicability of, need for, and kind of service, treatment or training necessary and appropriate to render him fit for a remunerative occupation. Upon receipt of such report, and after affording the parties an opportunity to be heard by the panel, the board, in consultation with the panel, may order that the services and treatment recommended in the report, or such other rehabilitation treatment or service he may deem necessary, be provided at the expense of the *defendants as*

apportioned in the award [employer]. Vocational rehabilitation training, treatment or service shall not extend for a period of more than *fifty-two (52)* [26] weeks except in unusual cases when by special order of the board, after hearing *and upon a finding, determined by sound medical evidence which indicates such further rehabilitation is feasible, practical and justifiable*, the period may be extended for additional periods.

(4) Where rehabilitation requires residence at or near the facility or institution, away from the employe's customary residence, reasonable cost of his board, lodging or travel shall be paid for by the *defendants* [employer].

(5) Refusal to accept rehabilitation pursuant to an order of the board shall result in a 50 percent loss of compensation for each week of the period of refusal.

(6) The board and the rehabilitation panel shall cooperate on a reciprocal basis with the Kentucky Bureau of Rehabilitation Services of the Department of Education and the Employment Services of the Kentucky Department of Economic Security.

Section 18. KRS 342.730 is amended to read as follows:

(1) Income benefits for disability shall be paid to the employe as follows[, subject to the maximum and minimum limits specified in KRS 342.740]:

(a) For total disability, sixty-six and two-thirds percent (66 ⅔%) of *the employe's* [his] average weekly wage *but not more than one hundred percent (100%) of the state's average weekly wage and not less than twenty percent (20%) of the state's average weekly wage as determined in KRS 342.740* during such disability.

(b) *For permanent, partial disability, sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage but not more than seventy-five percent (75%) of the state's average weekly wage as determined by KRS 342.740, multiplied by his percentage of disability caused by the injury or occupational disease as determined by "Guides to the Evaluation of Permanent Impairment," American medical association, 1977 edition, or by his percentage of disability as determined under KRS 342.620 (11), whichever is more equitable under the circumstances of the particular case at issue, for a maximum period, from the date the disability arises, determined by multiplying one thousand five hundred and sixty (1,560) weeks by the percentage of disability, but such benefits shall not be paid after the employe becomes eligible for normal old age benefits under the federal old age, survivors and disability insurance act. Any temporary total disability period within the maximum period for permanent, partial disability benefits shall not extend the maximum period nor make payable a weekly benefit exceeding that determined in subsection (1)(a) of this section.* [In all other cases of permanent partial disability, including any disfigurement which will impair the future usefulness or occupational opportunities of the injured employe, or employe disabled by an occupational disease, income benefits shall be determined according to the percentage of disability, taking into account, among other things, any previous disability, the nature of the physical injury or disfigurement, the occupation of the injured employe and age at the time of injury or at the time the disability from an occupational disease began. The income benefits paid therefor shall be 66 ⅔ per cent of the average weekly earnings of the employe at the time of his injury, subject to the limitations contained in KRS 342.740, multiplied by the percentage of disability caused by the injury or occupational disease.] Notwithstanding any section of KRS Chapter 342 to the contrary, there shall be no minimum weekly income benefit for permanent partial disability.

[(c) For total permanent bodily loss or losses herein scheduled, after and in addition to the income benefits payable during the period of recovery, scheduled income benefits in the amount of sixty-six and two-thirds percent (66 ⅔%) of the average weekly wage as follows:

	BODILY LOSS	WEEKS OF DISABILITY
1.	Arm	340
2.	Leg	340
3.	Hand	312
4.	Foot	216
5.	Thumb	86
6.	Index finger	54
7.	Middle finger	43
8.	Ring finger	22
9.	Little finger	16
10.	Great toe	30
11.	Second toe	20
12.	Third toe	15
13.	Fourth toe	8
14.	Fifth toe	5
15.	Total loss of binaural hearing	156
16.	Total loss of vision of one eye	150

BODILY LOSS	WEEKS OF DISABILITY
17. Total loss of bilateral vision	520
18. Total loss, or total loss of use, of both hands, both arms, both feet or both legs	520

19. Phalanges: For loss of distal phalanx, one-half of the income benefits for loss of the entire digit. For loss of more than the distal phalanx of a digit, the same as loss of the entire digit.

20. Two or more digits: For loss of two or more digits, or one or more phalanges of two or more digits, of a hand or foot, scheduled income benefits may be proportioned to the loss of use of the hand or foot occasioned thereby, but shall not exceed the scheduled income benefits for loss of a hand or foot.

21. Total loss of use: Scheduled income benefits for permanent total loss of use of a member shall be the same as for loss of the member.

22. Partial loss or partial loss of use: Scheduled income benefits for permanent partial loss of use of a member shall be for a period proportionate to the period benefits are payable for total loss or total loss of use of the member as such partial loss bears to total loss.

23. Loss of hearing or partial loss of bilateral vision: Scheduled income benefits for partial loss of vision in one or both eyes, or total loss of hearing in one ear, or partial loss of hearing in one or both ears shall be for a period proportionate to the period benefits are payable for total bilateral loss of vision or total binaural loss of hearing as such partial loss bears to total loss. The provisions of paragraphs (d) to (h) of subsection (2) of this section shall apply to scheduled losses of hearing.

24. In any case in which there shall be a loss or loss of use of more than one member or parts of more than one member set forth in subparagraphs 1. to 23. of this subsection, scheduled income benefits shall be for the loss of use of each such member or part thereof, with the periods of benefits to run consecutively.

25. Other losses: Proper and equitable scheduled income benefits shall be paid for serious permanent disfigurement of face, head, neck or other area normally exposed and for loss or loss of function of a major member or organ when such disfigurement or loss is of a kind likely to handicap the employe in securing or holding employment.

26. In any case of total or partial loss of use of a member or organ, of hearing or vision, or in any case of disfigurement, determination of the period for which scheduled income benefits are payable shall not be made until the maximum of healing and of restoration function has been attained.

27. If the board finds as a fact that the effects of any of the injuries, or disabilities, from occupational diseases, or losses, mentioned in this section adversely affect a workman's ability to labor, or limit his occupational opportunities to obtain the kind of work he is customarily able to do; his compensation benefits shall not be limited to the amounts provided by this section, and he shall be awarded compensation benefits under some other applicable or appropriate section of this chapter which would provide more compensation benefits for his disability.

(2) Occupational deafness means permanent partial or permanent total loss of hearing of one or both ears caused by prolonged exposure to harmful noise in employment. The following provisions shall apply exclusively to loss of hearing compensable under this subsection:

(a) No claim for scheduled income benefits shall be heard until the lapse of six full consecutive calendar months after the termination of exposure to harmful noise in employment. The time limitation for the filing of claims for occupational deafness shall not begin to run earlier than the day following the termination date of such six months' period. The time for filing claim as provided under this paragraph shall be applicable not only in respect of the last employer, but also in respect of any prior employer who may have liability to pay compensation for the occupational deafness.

(b) No employer shall be liable for the payment of scheduled income benefits for occupational deafness unless the employe claiming benefits shall have worked for such employer in employment exposing the employe to harmful noise for a total period of at least 90 days.

(c) An employer, otherwise liable under this subsection, whose employment has contributed to any extent to an employe's occupational deafness shall be liable for the full extent of the deafness of the employe, unless such employer shall establish by competent evidence (including the results of a professionally controlled hearing test) the extent of the employe's deafness as it existed prior to exposure to harmful noise in the employer's employment. Upon such showing the employer shall be liable to the employe only for the proportion of the deafness attributable to employment by him. An employer liable to the employe for the full extent of the employe's occupational deafness may implead, in a compensation proceeding on the employe's claim, any prior employer or employers in whose employment the employe had been exposed to harmful noise, and if it should be found that the impleaded employer would have been liable to the employe under this subsection, had the employe proceeded against him, under the claim being adjudicated, the employer held liable shall be entitled to an award against the impleaded employer. The impleading of an employer shall be accomplished by notice on a form prescribed by the board. Such notice shall be sent to the impleaded employer and to the board. An award may be made in favor of the employer liable to the employe, and against the impleaded employer or employers, which award may be enforced in the same manner as awards to employes. The impleaded employer or employers shall bear equal shares with the employer of the employer's liability to the employe, unless the evidence warrants a different apportionment.

(d) Losses of hearing due to industrial noise for compensation purposes shall be confined to the frequencies of 500, 1,000, and 2,000 cycles per second. Loss of hearing ability for frequency tones above 2,000 cycles per second are not to be considered as constituting disability for hearing.

(e) The percent of hearing loss, for purposes of the determination of compensation claims for occupational deafness, shall be calculated as the average, in decibels, of the thresholds of hearing for the frequencies of 500, 1,000, and 2,000 cycles per second. Pure tone air conduction audiometric instruments, approved by nationally recognized authorities in this field, shall be used for measuring hearing loss. If the losses of hearing average 15 decibels or less in the three frequencies, such losses of hearing shall not then constitute any compensable hearing disability. If the losses of hearing average 82 decibels or more in the three frequencies, then the same shall constitute and be a total or 100 percent compensable hearing loss.

(f) In measuring hearing impairment, the lowest measured losses in each of the three frequencies shall be added together and divided by three to determine the average decibel loss. For every decibel of loss exceeding 15 decibels an allowance of one and one-half percent shall be made up to the maximum of 100 percent which is reached at 82 decibels.

(g) In determining the binaural percentage of loss, the percentage of impairment in the better ear shall be multiplied by five. The resulting figure shall be added to the percentage of impairment in the poorer ear and the sum of the two divided by six. The final percentage shall represent the binaural hearing impairment.

(h) Before determining the percentage of hearing impairment, in order to allow for the average amount of hearing loss from non-occupational causes found in the population at any given age, there shall be deducted from the total average decibel loss, one-half decibel for each year of the employe's age over 40 at the time of last exposure to industrial noise.

(i) No consideration shall be given to the question of whether or not the ability of an employe to understand speech is improved by the use of a hearing aid.]

(2)[(3)] The period of any [scheduled] income benefits payable under this section on account of any injury shall be reduced by the period of income benefits paid or payable under this chapter on account of a prior injury if [scheduled] income benefits in both cases are for disability of the same member or function, or different parts of the same member or function, and the [scheduled] income benefits payable on account of the subsequent disability in whole or in part would duplicate the [scheduled] income benefits payable on account of the pre-existing disability.

(3)[(4)] When an employe, who has sustained disability compensable under this section, and who has filed, or could have timely filed, a valid claim in his lifetime, dies from causes other than the injury before the expiration of the compensable period specified, the income benefits specified and unpaid at the individual's death, whether or not accrued or due at his death, shall be paid, under an award made before or after such death, for the period specified in this section, to and for the benefit of the persons within the classes at the time of death and in the proportions and upon the conditions specified in this section and in the order named:

(a) To the widow or widower, if there is no child under the age of 18 or incapable of self-support; or

(b) If there are both such a widow or widower and such a child or children, one-half to such widow or widower and the other half to such child or children; or

(c) If there is no such widow or widower but such a child or children, then to such child or children; or

(d) If there is no survivor in the above classes, then the parent or parents wholly or partly actually dependent for support upon the decedent, or to other wholly or partly actually dependent relatives listed in paragraph (g) of subsection (1) of KRS 342.750 or to both, in such proportions as the board may provide by regulation.

Section 19. KRS 342.740 is amended to read as follows:

(1) [The minimum weekly income benefits for disability shall not be less than 20 percent (computed to the next higher multiple of $1.00) and the maximum weekly income benefit shall not exceed 60 percent (computed to the next higher multiple of $1.00) of the average weekly wage of the state as defined herein. In any event, income benefits shall not exceed the average weekly wage of the injured employe.

(2)] For the purposes of this chapter the average weekly wage of the state shall be determined by the board as follows: On or before September 1 of each year, the total wages reported by subject employers under the Kentucky Unemployment Insurance law for the preceding calendar year shall be divided by the average monthly number of insured workers (determined by dividing the total number of insured workers reported for the preceding year by twelve). The average annual wage thus obtained shall be divided by 52 and the average weekly wage thus determined rounded to the nearest cent. Such average weekly wage shall be certified to the board by the department for human resources in a manner prescribed by the board by regulation. The average weekly wage as so determined shall be applicable for the full period during which income or death benefits are payable, when the date of occurrence of injury or of disablement in the case of disease, or of death, falls within the calendar year commencing January 1 following the September 1 determination.

(2)[(3)] Whenever a change in the average weekly wage of the state is of such amount that the minimum weekly income benefits for total disability or death are increased or decreased by $1.00 or more, or the maximum weekly income benefits for total disability or for death are increased or decreased by $2.00 or more computed in each case and rounded to the nearest dollar, an adjustment in those minimums or maximums which are affected in the requisite amount by the change in the average weekly wage of the state shall be made which will reflect the increase or decrease, but no change in such limitations shall otherwise be made.

SECTION 20. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The board shall establish rules and regulations to expedite the payment of temporary total disability and medical expense benefits.

SECTION 21. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

On the effective date of this Act, the average insurance rate level for workers' compensation benefits required by this chapter shall be reduced by not less than twenty-seven percent (27%) from the average rate level in effect immediately prior to such date. Such reduced rates shall remain in effect for at least one (1) year. There shall be no exception to the requirements of this section unless the commissioner of insurance shall find that an intervening statutory change has caused such rates to be inadequate as defined under Chapter 304 of the Kentucky Revised Statutes. In such event, the commissioner may call for a public hearing pursuant to KRS 304.13 to determine an appropriate rate level.

SECTION 22. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of KRS 342.730 and 342.740, during the period the employe is eligible for permanent total disability benefits and is actively participating in a vocational or physical rehabilitation program, pursuant to a board order, the employe's benefits shall be calculated by taking eighty percent (80%) of his average weekly wage, but not more than one hundred percent (100%) of the state's average weekly wage, times the percentage of disability as determined in this chapter.

SECTION 23. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

On the effective date of this Act, any unfunded liability in the coal workers' pneumoconiosis fund shall be assumed by the special fund.

SECTION 24. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 25. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The reviser of statutes is directed to change the words "workmen's compensation" to "workers' compensation" wherever they appear in the Kentucky Revised Statutes.

SECTION 26. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

This Act shall be effective July 15, 1980; provided, however, that in the event federal law specifies that claims covered by provisions of this Act may be filed with a federal agency such claims shall continue to be filed as provided by the federal law until repeal or expiration of the federal law providing same; then, in that event, the increase in benefits provided by KRS 342.730 shall not apply to those claims where benefits are payable under the federal law. The benefits under KRS 342.730 as it existed prior to the effective date of this Act shall apply to those claims.

Section 27. The following sections of the Kentucky Revised Statutes are repealed:

342.004	Liberal construction of chapter — Presumption in case of pneumoconiosis or silicosis.
342.186	Notifying employe of statute of limitations.
342.317	Coal miners' pneumoconiosis fund.
342.800	Application to claims — Filing under federal coal mine health and safety act.

Motions, Petitions, and Communications (continued)

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Boswell, **HB 838, HB 909**; Representative Thomas, **HB 755, HB 969, HB 970, HB 932, HB 143, HB 958, HB 364, HB 222, HB 972, HB 197.**

The following meetings were announced:

Judiciary: Tuesday, 10:00-12:00 a.m., Room 211.

Labor and Industry: Tonight, after adjournment.

Appropriations and Revenue: Tonight, 8:00 p.m., Room A.

Appropriations and Revenue: Tuesday, 9:00 a.m., Room A.

Business Organizations and Professions: Tuesday, 1:00 p.m., Room 307.

Adjournment

Representative B. Richardson moved that the House adjourn until 2:00 p.m., Tuesday, March 18, 1980.

On the roll call the vote was yeas 46-Allen, Arnold, Barrows, Bendl, Bennett, Boswell, Bronger, Brown, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Curd, Cyrus, Donnermeyer, Dunn, Gray, Hancock, Head, Holbrook, Holloway, Kidd, Little, Lundergan, Mann, Maynard, McBee, Moberly, Noe, Pearman, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Smith, Stumbo, Thomason, Turner, Van Horn, Wilborn, Worthington. Nays 3-Guenthner, List, Schmidt.

The motion to adjourn was adopted.

TUESDAY, MARCH 18, 1980

FORTY-SIXTH LEGISLATIVE DAY

The House was called to order by Speaker Kenton.

Prayer by Chaplain Michael McLaughlin, Morehead Treatment Center, Morehead, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Foster, Reynolds and Yates.

Representative Isler moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 17, 1980, be dispensed with and the same approved. Agreed.

Introduction of Resolutions

HR 119, by Representative Layman: A RESOLUTION recognizing Old Time String Music Week and commending the Grayson County Teen Action Club.

Report on Enrolled Bills

HB 48, HB 353, and **HB 394** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **SB 265, SB 287, SB 339.**

Business Organizations and Professions: **SB 80.**

Cities: **SB 285, SB 304.**

Counties and Special Districts: **SB 308.**

Elections and Constitutional Amendments: **SB 208.**

Health and Welfare: **SB 214.**

Judiciary: **SB 227, SB 326, SB 362.**

Natural Resources and Environment: **HR 117, SB 266, SB 267, SB 268, SR 33.**

State Government: **HR 116, SB 284, SB 292, SB 293, SB 300, SB 386.**

Transportation: **SB 200.**

Report of Committees

The Committee on Rules reported **HB 414, HB 489, HB 563, HB 611, HB 636, HB 637, HB 638, HB 639, HB 671, HB 704, HB 713, HB 719, HB 752, HB 830, HB 852, HB 863, HB 887, HB 894, HB 918, HB 955, HB 967,** and **SB 140** have been posted for passage in Orders of the Day on March 19, 1980.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Health and Welfare: **SB 114, SB 193.**

Judiciary: **HB 573, SB 263.**

Report of Committees (continued)

The Committee on Business Organizations and Professions reported **HB 588** with Committee Amendment attached thereto, and **HB 972** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 588, AN ACT relating to plumbers and plumbing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 318.071 is amended to read as follows:

(1) There is hereby created a state plumbing code committee which shall be established within the department of housing, buildings and construction for administrative purposes. The state plumbing code committee shall consist of seven (7) members, one (1) of whom shall be a builder member of the home builders association of Kentucky, one (1) of whom shall be a member of the association of general contractors, one (1) of whom shall be a member of the Kentucky *association of plumbing, heating and cooling contractors* [master plumbers association], one (1) of whom shall be a member of the Kentucky society of professional engineers (who shall have a background in sanitary engineering), one (1) of whom shall be a member of the american institute of architects, one (1) of whom shall be a member of the united association of journeyman plumbers, and one (1) of whom shall be a member of the mechanical contractors association. Each member of the state plumbing code committee shall receive twenty-five dollars ($25) per day for attending each meeting and shall be reimbursed for all necessary expenses. The members of the committee shall be appointed by the governor from lists of three (3) names submitted by the above mentioned organizations.

(2) Each member shall be appointed for and hold office a term of two (2) years or until his successor is appointed and qualified.

(3) At all times in the filling of vacancies of membership on the committee the balance of representation set out in subsection (1) shall be maintained.

The Committee Amendment No. 1 to **HB 588** is as follows:

Amend printed copy of **HB 588**, page 1, line 12, after the word "*contractors*" by adding the words "*holding a*", and by deleting the bracket before the word "master", and following the word "plumbers" by adding the word "*license*" and by placing a bracket before the word "association".

HB 972, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (31-½¢) upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (25¢) upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by

mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half (1-½) cents upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen (15) cents upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen (15) cents upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen (15) cents upon property which has been certified as a pollution control facility as defined in KRS 224.850, and forty-five (45) cents upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half (1-½) cents upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, as defined in KRS 141.205(3), and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars ($100) of assessed value.

(6) Thirty (30) cents of the thirty-one and one-half (31 ½) cents state tax rate on real property and thirty (30) cents of the forty-five (45) cents state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty (30) cents, as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By July 1 each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the department shall, when real property assessments equaling at least seventy-five percent (75%) of the estimated total value of the real property assessments have been certified, make an estimate of the uncertified amount and compute the state tax rate.

(9) An ad valorem tax for state purposes on distilled spirits shall be levied according to the following rate schedule:

Calendar Year	*Rate per $100 of Assessed Value*
1982	*$ .225*
1983	*.1125*
1984 and after	*$ .001*

Section 2. KRS 243.030 is amended to read as follows:

The following kinds of distilled spirits and wine licenses may be issued by the administrator of the distilled spirits unit, the fees for which shall be:

(1)	Distiller's license, per annum	*$1,500.00*[$ 500.00]
(2)	Rectifier's license, per annum	$1,500.00
(3)	Blender's license, per annum	*$1,500.00*[$ 500.00]
(4)	Vintner's license, per annum	$ 500.00
(5)	Small winery license, per annum	$ 250.00
(6)	Wholesaler's license, per annum	*$1,500.00*[$1,000.00]
(7)	Retail package license, per annum:	
(a)	In counties containing cities of the first class	$ 600.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(d)	In counties containing cities of the fourth class	$ 300.00
(e)	In all other counties	$ 200.00
(8)	Retail drink license, per annum:	
(a)	In counties containing cities of the first class	$ 800.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(d)	*In counties containing cities of the fourth class*	*$ 300.00*
(9)	Transporter's license, per annum	$ 25.00
(10)	Dining car license, per annum	$ 50.00
(11)	Special nonbeverage alcohol vendor's license, per annum	$ 25.00
(12)	Special industrial alcohol license, per annum	$ 25.00
(13)	Special nonindustrial alcohol license, per annum	$ 25.00
(14)	Special agent's or solicitor's license, per annum	$ 20.00
(15)	Special storage or warehouse license, per annum	$ 100.00
(16)	Special temporary license, per month or part of month, one-sixth (1/6) of the fees enumerated in subsection (7).	
(17)	Special private club license, per annum	$ 150.00
(18)	Special Sunday retail drink license	$ 300.00
(19)	Nonresident, special agent or solicitor's license, per annum	$ 20.00
(20)	Transport permit, nonresident license, per annum	$ 25.00
(21)	Through transporter's license, per annum	$ 25.00
(22)	Freight forwarder's license, per annum	$ 25.00
(23)	Supplemental bar license:	
(a)	In counties containing cities of the first class	$ 800.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(24)	Restaurant wine license, per annum:	

(a)	New applicants	$ 300.00
(b)	Renewals	$ 200.00

(25) Such other special license as the board may find necessary for the proper regulation and control of the traffic in distilled spirits and wine and may provide for by regulation. In fixing the amount of license taxes that are required to be fixed by the board, it shall have regard for the value of the privilege granted.

Section 3. KRS 243.040 is amended to read as follows:

The following kinds of malt beverage licenses may be issued by the administrator of the malt beverages unit, the fees for which shall be:

(1)	Brewer's license, per annum	*$1,500.00*[$1,000.00]
(2)	Distributor's license, per annum	*$200.00*[$ 100.00]
(3)	Retailer's license per annum:	
(a)	New applicants	*$200.00*[$ 150.00]
(b)	Renewals	$ 75.00
(4)	Dining car license, per annum	*$100.00*[$ 75.00]
(5)	Transporter's license, per annum	*$25.00*[$ 5.00]
(6)	Special temporary license, per month or part of month	$ 12.50
(7)	Special off-premises storage license, per annum	$ 25.00
(8)	Distributor's storage, per annum	$ 50.00
(9)	Special beer transporter's license, per annum	$ 25.00

(10) Such other special licenses as the state board finds to be necessary for the administration of KRS Chapters 241, 243 and 244 and for the proper regulation and control of the trafficking in malt beverages, which may be provided for by regulation and adopted by the state board.

Applicants for special licenses provided for under the authority granted in subsection (10) may be exempt from so much of the provisions of subsection (3) of KRS 243.100 and paragraph (c) of subsection (1) of KRS 244.090 as the board by regulation prescribes.

Section 4. KRS 243.480 is amended to read as follows:

(1) Upon proceedings for the revocation of any license under KRS 243.520, the alcoholic beverage control board, or the local alcoholic beverage administrator, may in its or his discretion, as the case may be, order a suspension of the license for any cause for which it may, but is not required to, revoke the license under the provisions of KRS 243.490 and 243.500; Provided, however, the licensee may have the alternative, subject to the approval of the alcoholic beverage control board or the local alcoholic beverage administrator, to pay in lieu of part or all of the days of any suspension period, a sum as follows: Distillers, rectifiers, vintners, brewers and blenders, one thousand dollars ($1,000) per day; wholesale liquor licensees, *five hundred dollars ($500)* [four hundred dollars ($400)] per day; wholesale beer licensees, *two hundred fifty dollars ($250)* [one hundred dollars ($100)] per day; retail drink liquor licensees, *seventy-five dollars ($75)* [twenty-five dollars ($25.00)] per day; retail package liquor licensees, *seventy-five dollars ($75)* [twenty-five dollars ($25.00)] per day; retail beer licensees, *fifty dollars ($50)* [ten dollars ($10.00)] per day; all remaining licensees, *fifty dollars ($50)* [ten dollars ($10.00)] per day.

(2) Payments in lieu of suspension collected by the alcoholic beverage control board shall be deposited in the state treasury and credited to the general expenditure fund. Payments in lieu of suspension collected by local alcoholic beverage administrators shall be deposited and used as local alcoholic beverage license tax receipts are deposited and used.

(3) Appeals from orders of suspension and the procedure thereon shall be the same as are provided for orders of revocation in KRS 243.550 to 243.590.

Section 5. KRS 243.080 is amended to read as follows:

There shall be credited on the fee for retail package, retail drink and restaurant wine licenses issued by the state, *one-fourth (¼)* [one-half (½)] of any amount required to be paid to any county or city for the same privilege for the same year, but the amount of the fee for the state license shall not be reduced more than *twenty-five percent (25%)* [fifty percent (50%)].

The Committee Amendment No. 1 to **HB 972** is as follows:

Amend printed copy of **HB 972,** page 10, lines 1 through 26, by deleting the same;

And on page 11, lines 1 through 9, by deleting the same;

And on page 11, line 10, by deleting "Section 5" and inserting in lieu thereof "Section 4"

The Committee on Cities reported **HB 721, SB 18** with Committee Amendment attached thereto, **SB 25** with Committee Amendment attached thereto, **SB 216,** and **SB 21** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 721, AN ACT relating to police and firefighter retirement systems in cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95.860 is amended to read as follows:

(1) Upon death of a member due to occupational causes, regardless of length of service, his surviving widow shall be entitled immediately upon cessation of salary to an annuity equal to fifty per cent (50%) of the member's last rate of salary. This annuity shall be payable until she dies or remarries. In addition, if minor children, under age eighteen (18), survive the member, the widow shall receive on account of each child, ten per cent (10%) of the member's last rate of salary until each child attains age eighteen (18). The combined payments to a widow and minor children shall not exceed seventy-five per cent (75%) of his final rate of salary.

(2) If a widow does not survive the member, or if she remarries, and minor children under age eighteen (18) exist, each child shall be entitled to an annuity equal to fifteen per cent (15%) of the member's last rate of salary until each child attains age eighteen (18), provided that the combined payments to such children shall not exceed fifty per cent (50%) of the member's last rate of salary.

(3) If neither a widow nor minor children, eligible for benefits survive the member, each dependent parent shall be entitled to an annuity equal to twenty-five per cent (25%) of the member's last rate of salary, or fifty per cent (50%) to both parents.

(4) *If a widow would receive from a combination of: (a) survivor benefits pursuant to this section, excluding benefits for minor children, and (b) workmen's compensation benefits, excluding dependent children's allowances or payments for medical expenses or legal fees related to the workmen's compensation claim, an amount greater than one hundred per cent (100%) of the deceased member's last rate of salary, then the pension system survivor benefits shall be reduced to the point that the combined payments equal one hundred per cent (100%) of the last rate of salary. The survivor benefit shall not be reduced, however, below an amount equal to two and one-half per cent (2 ½%) of average salary for each year of the deceased member's service. Any reduction in the survivor payment shall be based upon workmen's compensation benefits applicable at the time the survivor payment is granted, and not upon subsequent increases in either benefit. If workmen's compensation benefits are reduced at a subsequent time, the surviving spouse shall inform the board, and the board shall increase the survivor's benefit by the amount of the reductions, but not by more than an amount which would increase the survivor's benefit to fifty per cent (50%) of last rate of salary. The board of trustees may pay estimated benefits to a surviving spouse, upon qualification for the benefits, based upon an estimate of workmen's compensation benefits until such amounts are actually determined, at which time a final calculation of the spouse's actual benefits shall be determined and the account corrected retroactive to the effective date of the survivor benefit. If workmen's compensation benefits are paid in lump sums, the board shall reduce the survivor benefit on a monthly rather than a lump sum basis. The amount of the monthly reduction shall be based upon the life expectancy of the survivor. The board may request the assistance of the general manager of Kentucky retirement systems to calculate the reduction in survivor benefits when lump sum payments are involved, and the general manager shall provide such assistance upon request* [Benefits payable for occupational death shall be reduced by any amount payable to the member's survivors as a result of Workmen's Compensation laws].

Section 2. KRS 95.861 is amended to read as follows:

(1) Upon death of a member occurring while in service, arising from any cause other than in the performance of duty, provided the member has had at least three (3) years of total service, his widow shall receive an annuity equal to one and one-half per cent (1-½%) of average salary for each year of total service, credited to the member, subject to a maximum payment to the widow of fifty per cent (50%) and subject to the following conditions:

(a) The widow had been married to the member at least one (1) year prior to his death;

(b) The widow is at least forty-five (45) years of age, otherwise payment will be deferred until she attains such age, except that if she is or becomes totally disabled before age forty-five (45), or has a minor child or children by the member in her care under age eighteen (18), (including adopted children provided the proceedings for adoption were initiated at least one (1) year prior to death of member) payment of the widow's annuity will begin immediately together with an additional allowance on account of the child or children;

(c) The widow's annuity will terminate in any event when the widow remarries. The annuity of each child or children shall continue until each child attains age eighteen (18).

(2) If the widow has minor children under age of eighteen (18), the annuity to the widow shall be increased one-half (½) on account of the first child and one-fourth (¼) on account of each additional child, subject to a maximum combined payment to the widow and children of seventy-five per cent (75%) of the average salary as defined in KRS 95.851(m).

(3) If the pensioner is not survived by a widow and there are minor children the following benefits shall be paid: (a) one (1) minor child, fifty per cent (50%), (b) two (2) minor children, fifteen per cent (15%) additional, (c) three (3) or more minor children, ten per cent (10%) additional, subject to a maximum combined payment of seventy-five per cent (75%) of the average salary as defined in KRS 95.851(m). The annuity of each child or children shall continue until each child attains age eighteen (18), or, in the case of a child regularly employed in full-time educational activities the age of twenty-three (23). The annuity payments shall be reduced in reverse order.

(4) These benefits shall also be payable upon death of the member while on retirement, provided marriage was in effect for at least one (1) year before retirement.

[(5) Benefits payable under this section shall be reduced by any amount paid to the member's survivors for death due to occupational causes, other than from employment with the city, as a result of Workmen's Compensation laws.]

Section 3. KRS 95.862 is amended to read as follows:

(1) In the event a total and permanent occupational disability occurs, the member shall receive an annuity equal to seventy per cent (70%) of his last rate of salary. This benefit shall begin at such time as his salary may cease, and shall be paid during his entire lifetime. Upon his death, his eligible widow and minor children, if any, shall receive the benefits as provided under KRS 95.860.

(2) If the member retired for total and permanent occupational disability would receive from a combination of (a) pension disability payments pursuant to subsection (1) of this section, and (b) workmen's compensation payments, excluding spouse or dependent children's allowances or payments for medical expenses or legal fees related to the workmen's compensation claim, an amount greater than one hundred per cent (100%) of his last rate of salary, then the pension system benefits shall be reduced to the point that the combined payments equal one hundred per cent (100%) of the last rate of salary. The benefit shall not be reduced, however, below an amount equal to two and one-half per cent (2 ½%) of average salary for each year of the members service. Any reduction in the payment shall be based upon workmen's compensation benefits applicable at the time the payment is granted, and not upon subsequent increases in either benefit. If workmen's compensation benefits are reduced at a subsequent time, the retiree shall inform the board, and the board shall increase the benefit by the amount of the reductions, but not by more than an amount which would increase the benefit to seventy per cent (70%) of the last rate of salary. The board of trustees may pay estimated benefits to a retiree, upon qualification for the benefits, based upon an estimate of workmen's compensation benefits until such amounts are actually determined, at which time a final calculation of the actual benefits shall be determined and the account corrected retroactive to the effective date of the benefit. If workmen's compensation benefits are paid in lump sums, the board shall reduce the disability retirement annuity on a monthly rather than a lump sum basis. The amount of the monthly reduction shall be based upon the life expectancy of the retired member. The board may request the assistance of the general manager of Kentucky retirement systems to calculate the reduction in the retirement benefit when lump sum payments are involved, and the general manager shall provide such assistance upon request [Benefits payable to the member shall be reduced by any amount paid to the member pursuant to Workmen's Compensation laws].

Section 4. KRS 95.863 is amended to read as follows:

(1) Upon total and permanent disability of a member as the result of any cause other than occupational disability, if a member shall have rendered at least ten (10) years of total service, he shall be entitled to a disability retirement annuity. The amount of such annuity shall be equal to two and one-half per cent (2 ½%) of average salary, as defined in KRS 95.851 (m), for each full year of total service, subject to a minimum payment of twenty-five per cent (25%) of such average salary, and a maximum payment of fifty per cent (50%) of average salary. Payment of this annuity shall be made during disability of the member. Upon death of the member, if an eligible widow or minor children survive, such survivors shall be entitled to the regular annuities provided under KRS 95.861.

(2) Any annuity for nonoccupational disability shall begin to accrue upon the expiration of ninety (90) days following the commencement of disability provided that if the member is receiving salary for sick leave for a period of more than ninety (90) days, payment shall accrue from the date such salary ceases. If written application for such annuity shall not have been filed with the board prior to the expiration of ninety (90) days from the date of disability, the annuity shall begin to accrue from the date the application shall be filed but not prior to the expiration of ninety (90) days from the date of disability, nor in any event prior to the time when salary payments to the employe shall have ceased.

[(3) Benefits payable to the member under this section shall be reduced by any amount payable to the member pursuant to Workmen's Compensation laws for disability arising out of employment other than with the city.]

Section 5. KRS 95.864 is amended to read as follows:

(1) For the purpose of KRS 95.851 to 95.885, a member shall be considered totally and permanently disabled after the board shall have received written certification by at least two (2) licensed and practicing physicians selected by the board that the member is totally and likely to be permanently disabled for the further performance of the duties of any assigned position in the service of the department. If upon consideration of the report of such physicians and such other evidence as shall have been presented to it by the member or others interested therein, the board finds the member to be totally and permanently disabled, it shall grant him a disability retirement annuity upon written certification that the member has been separated from the service of the city because of total disability of such nature as to reasonably prevent further service for the employer, and as a consequence is not entitled to compensation from the city.

(2) If, after the board grants a policeman or firefighter a disability retirement annuity, the board determines that a policeman so retired is performing police work for another employer, or that a firefighter so retired is performing fire fighting duties for another employer, and that the duties performed for the new employer are substantially the same as those which the retired member performed for the city, then the board may terminate the retired member's disability retirement annuity.

(3) If the board terminates a retired member's disability retirement annuity pursuant to subsection (2) of this section, the city shall offer the member reemployment with the police or fire department in order that the member may, if he chooses, complete the service required for normal retirement. Time spent in disability retirement shall not count as service credit for normal retirement.

(4) A retired member aggrieved by termination of his disability retirement annuity may appeal the decision of the board to the circuit court of the county in which the board is located. The scope of the appeal shall be limited to whether the board abused its discretion in terminating the retirement benefit.

SECTION 6. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act relating to maximum benefits from a combination of disability or survivor benefits and workmen's compensation benefits, or reduction of disability or survivor benefits because of benefits paid pursuant to workmen's compensation laws, shall be retroactive to the effective date of 1974 Acts Chapter 396 and shall supersede Sections 3.(4), 4.(4), 5. and 6.(3) of 1974 Acts Chapter 396 as they relate to reduction of disability or survivor benefits because of benefits paid pursuant to workmen's compensation laws.

SB 18, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 91A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context otherwise requires:

(1) "Budget" means a proposed plan for raising and spending money for specified programs, functions, activities or objectives during a fiscal year.

(2) "Debt service" means the sum of money required to pay installments of principal and interest on bonds, notes, and other evidences of debt accruing within a fiscal year and to maintain sinking funds.

(3) "Encumbrances" mean obligations in the form of purchase orders or contracts that are chargeable to an appropriation. An obligation ceases to be an encumbrance when paid or when the actual liability is recorded.

(4) "Executive authority" means the mayor in any city organized under the mayor-council plan or mayor-aldermen plan, the commission in any city organized under the commission plan or the board in any city organized under the city manager plan.

(5) "Fiscal year" means the accounting period for the administration of fiscal operations.

(6) "Generally accepted principles of governmental accounting" mean those standards and procedures promulgated and recognized by the national council of governmental accounting, the municipal finance officers of the U.S. and Canada and the American institute of certified public accountants.

(7) "Legislative body" means the council in cities organized under the mayor-council plan, the board of aldermen in cities of the first class organized under the mayor-aldermen plan, the commission in cities organized under the commission plan and the board of commissioners in cities organized under the city manager plan.

SECTION 2. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

(1) Each city shall keep its accounting records and render financial reports in such a way as to:

(a) Determine compliance with statutory provisions;

(b) Determine fairly and with full disclosure the financial operations of constituent funds and account groups of the city in conformity with generally accepted governmental accounting principles; and

(c) Readily provide such financial data as may be required by the federal revenue sharing program.

(2) Municipal accounting systems shall be organized and operated on a fund basis.

SECTION 3. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

(1) Each city shall operate under an annual budget ordinance adopted and administered in accordance with the provisions of this section. Notwithstanding any other provision of law, after the effective date of this Act, no city shall expend any monies from any governmental or proprietary fund, except in accordance with a budget ordinance adopted pursuant to this section.

(2) Assets held by a city as a trustee or agent for individuals, private organizations or other governmental units need not be included in the budget ordinance.

(3) If in any fiscal year subsequent to a fiscal year in which a city has adopted a budget ordinance in accordance with this section, no budget ordinance is adopted, the budget ordinance of the previous fiscal year shall have full force and effect as if readopted.

(4) The budget ordinance of a city shall cover one (1) fiscal year, except that any city required to adjust its fiscal year to conform to the fiscal year set out in Section 169 of the Kentucky constitution may utilize for transition purposes a fiscal year of any length not to exceed eighteen (18) months. Any such adjustment shall be completed not later than two (2) years from the effective date of this Act.

(5) Preparation of the budget proposal shall be the responsibility of the executive authority of the city.

(6) The budget proposal shall be prepared in such form and detail as is prescribed by ordinance.

(7) The budget proposal together with a budget message shall be submitted to the legislative body not later than thirty (30) days prior to the beginning of the fiscal year it covers. The budget message shall contain an explanation of the governmental goals fixed by the budget for the coming fiscal year; explain important features of the activities anticipated in the budget; set forth the reasons for stated changes from the previous year in program goals, programs, and appropriation levels; and explain any major changes in fiscal policy.

(8) (a) The legislative body shall adopt a budget ordinance making appropriations for the fiscal year in such sums as the legislative body finds sufficient and proper, whether greater or less than the sums recommended in the budget proposal. The budget ordinance may be in any form that the legislative body finds most efficient in enabling it to make the necessary fiscal policy decisions.

(b) No budget ordinance shall be adopted which provides for appropriations to exceed revenues in any one (1) fiscal year in violation of Section 157 of the Kentucky constitution.

(9) The full amount estimated to be required for debt service during the budget year shall be appropriated.

(10) The city legislative body may amend the budget ordinance at any time after the ordinance's adoption, so long as the amended ordinance continues to satisfy the requirements of this section.

(11) Administration and implementation of an adopted budget ordinance shall be the responsibility of the executive authority of the city. Such responsibility shall include the preparation and submission to the legislative body of operating statements which shall include budgetary comparisons of each governmental fund for which an annual budget has been adopted. Such reports shall be submitted not less than once every three (3) months in each fiscal year.

(12) To the extent practical, the system utilized in the administration and implementation of the adopted budget ordinance shall be consistent in form with the accounting system called for in Section 2 of this Act.

(13) No city agency, or member, director, officer or employe thereof, may bind the city in any way to any extent beyond the amount of money at that time appropriated for the purpose of the agency. All contracts, agreements and obligations, express or implied beyond such existing appropriations are void; nor shall any city officer issue any bond, certificate or warrant for the payment of money by the city in any way to any extent, beyond the unexpended balance of any appropriation made for the purpose.

SECTION 4. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

(1) Each city shall, as soon as practicable and in no event later than two hundred seventy (270) days after the close of each fiscal year, cause each fund of the city to be audited by the auditor of public accounts or a certified public accountant.

(2) The city shall enter into a written contract with the selected auditor. The contract shall set forth all terms and conditions of the agreement which shall include, but not be limited to, requirements that:

(a) The auditor be employed to examine the balance sheets of all governmental proprietary and fiduciary funds of the city;

(b) All audit information be prepared in accordance with generally accepted governmental auditing standards which includes such tests of the accounting records and such auditing procedures as considered necessary in the circumstances. Where the audit is to cover the use of state or federal funds, appropriate state or federal guidelines shall be utilized;

(c) The auditor prepare a typewritten or printed report embodying financial statements and his opinion and statements relating thereto;

(d) The auditor express an overall opinion as to whether the statement of receipts and expenditures presents fairly the financial condition of the city or state the reasons why an overall opinion cannot be expressed;

(e) The completed audit and all accompanying documentation shall be presented to the city legislative body at a regular or special meeting.

(3) Upon completion of an annual audit, the city shall forward two (2) copies of the audit report to the department for local government for information purposes.

(4) Upon completion of an annual audit, the city shall publish a summary of the audit in accordance with KRS Chapter 424.

(5) A copy of an annual audit report which meets the requirements of this section shall be considered satisfactory and final in meeting any official request to a city for financial data, except for statutory or judicial requirements.

SECTION 5. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

The department for local government shall make available to all cities assistance in meeting the requirements of this Act, including the preparation and dissemination of model systems for accounting and budgeting, and other technical materials.

SECTION 6. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

(1) The executive authority shall designate as the city's official depositories one (1) or more banks, federally insured savings and loan companies or trust companies within the Commonwealth. The amount of funds on deposit in an official depository shall be fully insured by deposit insurance or surety bonds.

(2) All receipts from any source of city money or money for which the city is responsible, which has not been otherwise invested or deposited in a manner authorized by law, shall be deposited in official depositories. All city funds shall be disbursed by written authorization approved by the executive authority which shall state the name of the person to whom funds are payable, the purpose of the payment and the fund out of which the funds are payable. Each authorization shall be numbered and recorded.

Section 7. The following KRS sections are repealed:

89.630 Annual budget.
89.640 Annual appropriation ordinance.
91.080 Comptroller and inspector.
91.090 Accountant.
91.290 Expenditures limited — Deficits and surpluses in current revenue — Current borrowing.
91.300 City not to be bound beyond appropriation.
92.030 Treasurer and deputy in cities of second class — City depository.
92.040 Report and settlement by treasurer in cities of second class.
92.090 Duties of auditor in cities of second class — Records.
92.100 Auditor in cities of third class.
92.350 Separate accounts for funds of cities of second to sixth class — Semiannual statements — Disposition of general revenues.
92.360 Expenditure in excess of revenue and diversion of funds forbidden — Surplus to revert — Use of surplus for similar purpose.
92.370 Annual apportionment of revenue and tax ordinance in cities of second class — Appropriation ordinances.
92.380 Current borrowing by cities of second class.
92.400 Demands against city of fifth or sixth class — How presented, audited and paid.
92.403 Annual and other audits of officers in cities of second class — Notice of audit.
92.405 Annual audits of officers in cities of third and fourth class.

The Committee Amendment No. 1 to **SB 18** is as follows:

Amend printed copy of **SB 18**, page 7, line 10, by inserting:

(f) Any contract with a certified public accountant for an audit shall require the accountant to forward a copy of the audit report and management letters to the Auditor of Public Accounts upon request of the city or the Auditor of PUblic Accounts, and the Auditor of Public Accounts shall have the right to review the certified public accountant's related work papers.

SB 25, AN ACT relating to cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 91A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

A city may not finance any improvement through special assessments except pursuant to this Act, or other statutory authority.

SECTION 2. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Improvement" means construction of any facility for public use or services or any addition thereto, which is of special benefit to specific properties in the area served by such facility;

(2) "Property" means any real property benefited by an improvement;

(3) "Special assessment" or assessment means a special charge fixed on property to finance an improvement in whole or in part;

(4) "Fair basis" means assessed value basis, front foot basis, square foot basis or benefits received basis;

(5) "Assessed value basis" means the apportionment of cost of an improvement according to the ratio the assessed value of individual parcels of property bears to the total assessed value of all such properties;

(6) "Front foot basis" means the apportionment of cost of an improvement according to the ratio the front footage on the improvement of individual parcels of property bears to such front footage of all such properties;

(7) "Square foot basis" means the apportionment of cost of an improvement according to the ratio the square footage of individual parcels of property bears to the square footage of all such property;

(8) "Benefits received basis" means the apportionment of cost of an improvement according to equitable determination by the city legislative body of the special benefit received by property from the improvement, including assessed value basis, front foot basis, and square foot basis, or any combination thereof, and may include consideration of assessed value of land only, graduation for different classes of property based on nature and extent of special benefits received, and other factors affecting benefits received; and

(9) "Cost" means all costs related to an improvement, including planning, design, property or easement acquisition and construction costs, fiscal and legal fees, financing costs, and publication expenses.

SECTION 3. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

(1) A city may finance the cost of an improvement in whole or in part by special assessments made as provided in this Act.

(2) Cost of an improvement shall be apportioned equitably on a fair basis.

(3) The city may provide for lump sum or installment payment of assessments or for bond or other long-term financing, and for any improvement may afford property owners the option as to method of payment or financing.

SECTION 4. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

The cost of any improvement shall be apportioned on a benefits received basis with respect to any property owned by the state, a local unit of government or any educational, religious, or charitable organization. The legislative body of the city may assess such property in the same manner as for privately owned property or it may pay the costs so apportioned out of general revenues.

SECTION 5. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

Before undertaking any improvements pursuant to this Act, the city shall prepare a comprehensive report setting out:

(1) The nature of the improvement;

(2) The scope and the extent of the improvement, including the boundaries or other description of the area to be assessed;

(3) The preliminary estimated cost of the improvement;

(4) The fair basis of assessment proposed;

(5) If financing of assessments is provided, the proposed method, including the proposed years to maturity of any bonds to be issued in connection with the improvement; and

(6) Such other information as may further explain material aspects of the improvement, assessments, or financing.

SECTION 6. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

After preparation of the report required by Section 5 of this Act, the city shall hold at least one (1) public hearing on the proposed improvement at which all interested persons shall be heard. Notice of the hearing shall be published pursuant to KRS Chapter 424, and mailed to each affected property owner by certified mail, return receipt requested, and shall include:

(1) The nature of the improvement;

(2) Description of area of the improvement;

(3) Statement that the city proposes to finance the improvement in whole or in part by special assessment of property and the method to be used;

(4) Time and place the report may be examined; and

(5) Time and place of the hearing.

SECTION 7. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

Within ninety (90) days of conclusion of the hearing, the city shall determine whether to proceed with the improvement by special assessments, and if it determines to proceed shall adopt an ordinance so stating and containing all necessary terms, including the items referred to in Section 5 of this Act and description of all properties. Promptly upon passage the city shall publish such ordinance pursuant to KRS Chapter 424 and shall mail by certified mail to each affected property owner a notice of determination to proceed with the project, the fair basis of assessment to be utilized, the estimated cost to the property owner, and the ratio the cost to each property owner bears to the total cost of the entire project.

SECTION 8. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

(1) Within thirty (30) days of the mailing of the notice provided for in Section 7 of this Act, any affected property owner may file an action in the circuit court of the county, contesting the undertaking of the project by special assessment, the inclusion of his property in the improvement, or the amount of his assessment. If the action contests the undertaking of the improvement by the special assessment method of the inclusion of the property of that property owner, no further action on the improvement insofar as it relates to any property owner who is a plaintiff shall be taken until the final judgment has been entered.

(2) The city may proceed with the improvement with respect to any properties whose owners have not filed or joined in an action as provided in this section or who have contested only the amounts of their assessments, and the provisions of the resolution shall be final and binding with respect to such property owners except as to contested amounts of assessments. After the lapse of time as herein provided, all actions by owners of properties shall be forever barred.

SECTION 9. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

(1) After the passage of time for the action provided for in Section 8 of this Act, or after favorable final judgment in any such action, whichever comes later, the city may proceed with the improvement or part thereof as was stayed by the action, including notice requiring payment of special assessment or installment thereon and bonds or other method proposed to finance the improvement. The first installment may be apportioned so that other payments will coincide with payment of ad valorem taxes.

(2) The amount of any outstanding assessment or installments thereof on any property, and accrued interest and other charges, shall constitute a lien on the property to secure payment to the bondholders or any other source of financing of the improvement. The lien shall take precedence over all other liens, whether created prior to or subsequent to the publication of the ordinance, except a lien for state and county taxes, general municipal taxes, and prior improvement taxes, and shall not be defeated or postponed by any private or judicial sale, by any mortgage, or by any error or mistake in the description of the property or in the names of the owners. No error in the proceedings of the city legislative body shall exempt any benefited property from the lien for the improvement assessment, or from payment thereof, or from the penalties or interest thereon, as herein provided.

SECTION 10. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

The city may undertake any further proceedings to carry out the improvement or any extension or refinancing thereof, except that Sections 5 to 9 of this Act shall apply if additional property is included in the improvement or if change is made in the method or period of financing; but additional property may be included in the improvement with the consent of the owner thereof without compliance with other sections if it does not increase the cost apportioned to any other property, or any other change may be made without such compliance if all property owners of the improvement consent.

Section 11. The following KRS sections are repealed:

66.180 City of first class, when refunding bonds to be issued by.
66.190 City of second class, how refunding bonds to be issued — Sinking fund.
66.200 City of second class, increase of preconstitutional indebtedness.
66.230 Bonds to refund special assessment bonds issued under ten-year plan by cities other than first-class.
66.240 Notice of intention to issue bonds — Objections.
66.250 Instalments of original assessments to be respread — Enforcement.
66.260 Bonds of city of first class, election to permit sale at higher interest rate or below par.
66.270 Tax to pay additional interest.
67A.710 Definitions.
67A.715 Purpose.
67A.720 Maturity of bonds.
67A.725 Basis of assessment.
67A.730 First Ordinance — Contents — Hearing.
67A.735 Second Ordinance — Procedure following public hearing.
67A.740 Construction contracts — Bids — Performance bonds.
67A.745 Notification of property owners as to amount due — Issuance of bonds.
67A.750 Action of aggrieved property owner — Limitation.
67A.755 Annual assessment — Advance levy and payment — Assessment for debt service reserve.
67A.760 Third Ordinance — Purposes — Adoption.
67A.765 Sale of bonds — Bids — Advertisement.
67A.770 Deposit of prepayment and bond sale proceeds — Security — Disbursements.
67A.775 Bonds not to constitute debt of urban-county government — Tax exemption — Liquidation — Extent of liability to bondholders.
67A.780 Assessment ratio — Special assessment.
67A.785 Accounting method for payments.
67A.790 When levy to be made — When due — Penalties for nonpayment.
67A.795 Assessment to constitute lien on benefited property — Precedence.
67A.800 Segregation of proceeds from assessment — Sinking fund.
67A.805 Restriction on payments from sinking fund — Debt service reserve.
67A.810 Procedure where no bids received on offered bonds.
67A.815 Procedure where proceeds of bonds authorized by Third Ordinance insufficient.
67A.820 When assessments to cease — Refund of surplus.
67A.825 Procedure when project cannot be completed according to KRS 67A.710 to 67A.820.
67A.871 Definitions for KRS 67A.872 to 67A.894.
67A.872 Authorization to construct and maintain wastewater collection projects.
67A.873 Alternative or additional authority.
67A.874 Authority is exclusive.
67A.875 Determination of need by ordinance — Preliminary planning procedures — Ordinance of initiation.
67A.876 Notice of public hearing.
67A.877 Benefited properties — Later-connecting properties.
67A.878 Public hearing.
67A.879 Consideration of written report of public hearing — Ordinance of determination.
67A.880 Action by property owner for relief from ordinance of determination.
67A.881 Action by council when ordinance of determination upheld.
67A.882 Bids — Apportionment of cost — Alternative payment methods and funding.
67A.883 Ordinance of bond authorization — Trust indenture.
67A.884 Assistance agreement with Kentucky pollution abatement authority.
67A.885 Deposit of funds — Security — Interest.
67A.886 Bonds not indebtedness of government.
67A.887 Annual levy of assessment against benefited property.
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The Committee Amendment No. 1 to **SB 26** is as follows:

Amend printed copy of **SB 25**, page 8, line 25, beginning with the figure "67A.710" by deleting in their entirety all lines thereafter through page 11, line 22, ending with the word "completed".

SB 216, AN ACT relating to the commission on fire protection personnel standards and education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95A.020 is amended to read as follows:

(1) There is hereby created the commission on fire protection personnel standards and education, hereinafter called "commission" which shall be attached to the state fire marshal's office in the department of housing, buildings and construction.

(2) The commission shall be composed of *fifteen (15)* [ten (10)] members, residents of the state of Kentucky, appointed by the governor. Such members shall be persons well qualified by experience or education in the field of fire protection or related fields.

(3) The membership of the commission shall include:
(a) One (1) volunteer fireman;
(b) Two (2) paid fire fighters;
(c) One (1) trustee of a volunteer fire department or fire district who is not a volunteer fireman;
(d) Two (2) fire chiefs of paid fire departments;
(e) One (1) licensed and practicing physician;
(f) One (1) teacher or administrator of vocational education;
(g) One (1) representative of the division of disaster and emergency services of the department of military affairs;
(h) One (1) mayor of a Kentucky city;
(i) One (1) county judge/executive;
(j) One (1) representative of Kentucky industry or business enterprise;
(k) One (1) representative of the general public.

The superintendent of public instruction and the state fire marshal shall serve as ex officio members of the commission. [The volunteer fire departments shall be represented by one appointee. Such] Appointive members shall be appointed for a term of four (4) years, provided, however, that of the members first appointed, *five (5)* [four (4)] shall be appointed for a term of two (2) years, *four (4)* [three (3)] for a term of three (3) years, and *four (4)* [three (3)] for a term of four (4) years. *After the effective date of this Act,* any member chosen by the governor to fill a vacancy created otherwise than by expiration of term shall be appointed for the unexpired term of the member he is chosen to succeed.

(4)[(3)] Members of the commission shall receive no compensation for their services but shall be allowed their actual and necessary expenses incurred in the performance of their functions hereunder.

(5) Members of the commission appointed pursuant to this Act shall first be appointed on the effective date of this Act. The terms of members appointed earlier shall terminate on the effective date of this Act, but the Governor may reappoint those members who qualify under the provisions of this Act.

SB 21, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 81A IS CREATED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

After an order establishing a city has been entered, the general laws relating to cities of the class which includes the population of the newly incorporated city shall apply to the city until the city is assigned to another class by the General Assembly.

SECTION 2. A NEW SECTION OF KRS CHAPTER 81A IS CREATED TO READ AS FOLLOWS:

(1) When a city has been assigned by the General Assembly to another class, it shall thereafter be governed by the laws relating to the class to which it has been assigned, but the transfer from one class to another shall not affect any ordinance theretofore enacted by the city, except that any ordinance in conflict with the laws relating to cities of the class to which the city has been assigned shall be repealed to the extent it so conflicts.

(2) Any officer holding office in any city changed to a classification other than that held at the time the officer was elected shall hold his office until the term for which he was elected has expired.

SECTION 3. A NEW SECTION OF KRS CHAPTER 81A IS CREATED TO READ AS FOLLOWS:

Cities bounded in part by the Ohio River shall have concurrent jurisdiction with the Commonwealth over the waters of the river opposite to the city. If the boundary between a city and one (1) or more other cities, or between a city and a county other than that in which the city is situated, is a stream within the state, the city shall have concurrent jurisdiction with the other city or cities, or the county, over the waters of the stream opposite to the city.

Section 4. The following KRS sections are repealed:

81.020	Terms of officers when city assigned to another class.
81.030	Transfer of third-class, fifth-class or sixth-class city to another class.
81.070	Laws as to sixth-class cities apply prior to classification.
81.080	Streams as boundaries of second-class cities.
81.090	Boundaries of third-class cities on Ohio River.

The Committee on Labor and Industry reported **HB 121, HB 644, HB 645, HB 646, HB 647, HB 746, HB 786,** and **HB 827** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 121, AN ACT relating to industrial development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.150 is amended to read as follows:

(1) There shall be a special revolving trust and agency fund in the treasury of the Commonwealth to be known as the industrial development finance fund to which shall be credited all funds appropriated by the general assembly to the authority and all funds obtained from other sources, and all other deposits

and repayments, both principal and interest, involved in administration of this chapter. *On July 1 of each year the authority shall set aside five hundred thousand dollars ($500,000) in an account that shall be used exclusively for loans to industrial projects of less than twenty-five (25) acres as provided in KRS 154.146. Funds in this account not utilized by June 30 of each year shall revert to the industrial development finance fund.*

(2) There shall be a special revolving trust and agency fund in the treasury of the Commonwealth to be known as the multi-county industrial site development fund to which shall be accredited all funds appropriated by the general assembly to the multi-county industrial site development program and all funds obtained from other sources, and all deposits and repayments, both principal and interest, involved in administration of such fund.

(3) All loans to local development agencies and all costs of administration of this chapter shall be paid out of this fund. Payments shall be made in the same manner as other state expenditures, except that they shall be subject to the approval of the executive department for finance and administration only as to availability of funds.

(4) At any time that the authority determines that moneys in the fund are in excess of the amount needed by the authority to carry out the purposes of this chapter, the authority shall take such action as shall be required to release such excess from the fund and transfer the same to the appropriate fund of the state treasury.

HB 644, AN ACT relating to the Kentucky labor-management advisory council.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 336.162 is amended to read as follows:

(1) There is hereby created the Commonwealth of Kentucky labor-management advisory council which shall consist of eighteen (18) members. One (1) member of the council shall be the commissioner of labor, and one (1) member shall be the commissioner of commerce, who shall be ex officio non-voting members of the council. The other members of the council shall be appointed by the governor for terms of four (4) years and until their successors have been appointed and have qualified.

(2) Vacancies shall be filled by appointment by the governor for the unexpired term of the member whose office is vacant and the appointment shall be made within sixty (60) days of the occurrence of the vacancy.

(3) In making appointments to the council, the governor shall appoint eight (8) members representing management and eight (8) members representing labor. The commissioner of labor shall serve as chairman of the council.

(4) Upon the expiration of the terms of members appointed in 1978 the next appointments shall be made as follows: Two (2) labor and two (2) management members shall be appointed for a term of one (1) year; two (2) labor and two (2) management members shall be appointed for a term of two (2) years; two (2) labor and two (2) management members shall be appointed for a term of three (3) years; and two (2) labor and two (2) management members shall be appointed for a term of four (4) years. Thereafter all appointments shall be for a term of four (4) years. Such appointments shall be made by the governor within thirty (30) days after the expiration of the term of any member.

(5) The council shall meet at least two (2) times each year and at other times on call of the chairman or a majority of the members. Nine (9) members of the council shall constitute a quorum for the transaction of business.

HB 645, AN ACT relating to court duty.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 337 IS CREATED TO READ AS FOLLOWS:

No employer shall discharge an employe for taking time off, as required by law, to appear in any duly constituted local, state or federal court or duly constituted administrative tribunal or hearing if such employe, prior to taking such time off, gives notice to the employer that he is required to serve by presenting a copy of the court or administrative certificate to said employer. The penalty for such unlawful discharge may include, but is not limited to, reemployment, assessment of court costs, appropriate attorney fees, and back pay as ordered by a court of competent jurisdiction.

HB 646, AN ACT relating to the wages and hours of employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.070 is amended to read as follows:

All employers who [employ ten (10) or more and] pay their employes by check or otherwise, making deductions from the salaries and wages due said employes, shall state specifically the amount for which the deductions are made, and each such employer at the time of payment of salary or wage to each employe shall furnish the employe a statement giving the amount of each deduction and the general purpose for which the deduction is made, *except that employers of nine (9) or less who pay their employes by check or otherwise, making deductions from the salaries and wages due said employes, shall, upon request of the employe, furnish the employe a statement giving the amount of each deduction and the general purpose for which the deduction is made. Said statement shall be furnished the employe at the time of payment of the salary or wage to the employe. Each request shall constitute a request for only a single pay period.*

HB 647, AN ACT relating to powers of the Commissioner of the Department of Labor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 336.060 is amended to read as follows:

(1) In the conduct of an investigation or hearing, the commissioner or any authorized deputy may issue subpoenas to compel the attendance of witnesses and parties and the production of books, papers and records competent and relevant to the matter under investigation; administer oaths; examine witnesses under oath; take the verification or proof of written instruments; and take testimony, depositions and affidavits to carry out any law over which the department has jurisdiction.

(2) *When a person fails to comply with a departmental subpoena, the circuit court of the county in which the person is found, resides, or has his principal place of business may, upon application of the commissioner, his authorized representatives, or the party requesting the subpoena, issue an order requiring compliance. In any proceeding brought under this section, the circuit court having issued said order of compliance may modify or set aside the subpoena.* [[Repealed.]]

(3) Subpoenas issued under this section may be served by an inspector or other authorized representative of the department, at any place in the state.

HB 746, AN ACT relating to plumbers and plumbing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 318.100 is amended to read as follows:

(1) No person shall advertise or hold himself out as a licensed master or licensed journeyman plumber within the commonwealth of Kentucky unless he is a holder of a license from the department in accordance with the provisions of this chapter.

(2) All master plumber's shall have their master plumber's license number displayed on all trucks and heavy equipment used in a plumbing business; however, they shall not be required to display the business' or individual's name or any other information on trucks and heavy equipment used in a plumbing business.

HB 786, AN ACT relating to boiler and pressure vessel safety.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 236.005 is amended to read as follows:

This chapter [KRS 236.005 to 236.150] shall be known and may be cited as the boiler *and pressure vessel* safety act, and, except as otherwise provided therein, shall apply to all boilers *and pressure vessels.*

Section 2. KRS 236.010 is amended to read as follows:

As used in this chapter:

(1) "Boiler" or "boilers" *means* [shall mean] and *includes a closed vessel in which water or other liquid is heated, steam or vapor is generated, steam is superheated, or in which any combination of these functions is accomplished, under pressure or vacuum, for use externally to itself, by the direct application of energy from the combustion of fuels, or from electricity, solar or nuclear energy. The term boiler shall include fired units for heating or vaporizing liquids other than water where these units are separate from processing systems and are complete within themselves* [include steam or vapor boilers operating at less than 500 pounds per square inch gauge or at less than 500 degrees Fahrenheit, hot water heating boilers and hot water supply boilers].

(a) "Power boiler" means a boiler in which steam or other vapor is generated at a pressure of more than fifteen (15) pounds per square inch gauge.

(b) "High pressure, high temperature water boiler" means a water boiler operating at pressures exceeding one hundred sixty (160) pounds per square inch gauge or temperatures exceeding two hundred fifty (250) degrees Fahrenheit.

(c) "Heating boiler" means a steam or vapor boiler operating at pressures not exceeding fifteen (15) pounds per square inch gauge or a hot water boiler operating at pressures not exceeding one hundred sixty (160) pounds per square inch gauge or temperatures not exceeding two hundred fifty (250) degrees Fahrenheit.

(2) *"Pressure vessel" means a vessel in which the pressure is obtained from an external source or by the application of heat other than those vessels defined in subsection (1) of this section.*

(3) "Commissioner" means the commissioner of housing, buildings and construction.

(4)[(3)] "Department" means the department of housing, buildings and construction.

(5)[(4)] "ASME" means American society of mechanical engineers.

(6)[(5)] "Board" means board of boiler *and pressure vessel* rules.

(7) "Certificate inspection" means an inspection, the report of which is used by the chief boiler inspector to determine whether or not a certificate, as provided by subsection (1) of KRS 236.120, may be issued.

(8) "Rule" or "regulation" means a general regulation adopted by the commissioner upon advisement of the board and filed and approved in accordance with KRS Chapter 13 designed to insure the safety of boilers and pressure vessels that affects or may affect property rights of a designated class of owners, or designed for the prevention of loss or damage to property, loss of life or personal injury from boiler or pressure vessel explosion or from certain indicated hazards related thereto.

(9) "Order" or "summary order" means an order of the state fire marshal, the chief boiler inspector or a boiler inspector, made in accordance with this chapter or KRS Chapter 227 and designed for the prevention of loss or damage to property, loss of life, or personal injury from boiler or pressure vessel malfunction or explosion, that affects or may affect the property rights of a particular owner or designated property.

(10) "Division" means the division of fire prevention in the department, headed by the state fire marshal.

(11) "Qualified welder" means a welder or welding machine operator who has passed the tests required by section IX of the ASME code.

(12) "Person" or "firm" means any individual, firm, partnership or corporation.

Section 3. KRS 236.020 is amended to read as follows:

(1) In the department of housing, buildings and construction, *division of fire prevention,* there shall be a board of boiler *and pressure vessel* rules, which shall hereafter be referred to as the board, consisting of seven (7) members including the *chief boiler inspector* [commissioner] who shall serve as chairman. The other members shall be appointed to the board by the governor; one (1) for a term of one (1) year, one (1) for a term of two (2) years, two (2) for a term of three (3) years and two (2) for a term of four (4) years, or until their successors are appointed and qualified. At the expiration of their respective terms of office they, or their successors identifiable with the same interest respectively as provided in this section, shall be appointed for terms of four (4) years each. The governor may at any time remove any member of the board. Upon the death or incapacity of any member the governor shall fill the vacancy for the remainder of the vacated term with a representative of the same interests with which his predecessor was identified. Of these six (6) appointed members one (1) shall be a practical steam operating engineer of high pressure boilers, or any other representative of owners and users of high pressure boilers *or pressure vessels* within the state; one (1) shall be a representative of the boiler manufacturers *or pressure vessel manufacturers* within the state; one (1) shall be representative of a boiler insurance company licensed to do business within the state; one (1) shall be a representative of the boilermakers within the state; one (1) shall be a *representative of pipe erecting concerns doing business within the state; and one (1) shall be a metallurgist, welder or a person representing the welding industry* [metallurgist specialized in ferrous welding procedures, a practical welder on pressure piping of wide experience or a representative of pipe erecting concerns doing business within the

state of Kentucky; and one (1) member shall be a representative of welders or other skilled crafts engaged in erection of pressure piping related to boilers]. The board shall meet at least four (4) times each year at the capitol or other place designated by the board. No approval, decision or ruling of the board shall be effective unless supported by the vote of at least *five (5)* [(4)] members thereof.

(2) The members of the board shall serve without salary and shall receive their actual necessary expenses, incurred while in the performance of their duties as members of the board, to be paid in the same manner as in the case of other state officers.

(3) The division shall provide such administrative support and assistance as may be necessary for the board to carry out its duties and responsibilities under this chapter.

Section 4. KRS 236.030 is amended to read as follows:

After reasonable notice and opportunity to be heard *in accordance with KRS Chapter 13*, the commissioner of housing, buildings and construction, upon advisement by the board, shall, by general [order,] rule or regulation, fix reasonable standards for the safe construction, installation, inspection and repair of boilers, *pressure vessels* and associated pressure piping in this state. *Such* [Orders,] rules and regulations [prescribed by the board] shall be enforced by the department of housing, buildings and construction, *division of fire protection.*

Section 5. KRS 236.040 is amended to read as follows:

(1) No boiler *or pressure vessel* which does not conform to the rules and regulations formulated by the commissioner governing new construction and installation shall be installed and operated in this state [after twelve (12) months] from the date upon which the first rules and regulations under *this chapter* [KRS 236.005 to 236.150] pertaining to new construction and installation shall have become effective.

(2) All new connecting piping subjected to pressure emanating from a power [or heating] boiler *or pressure vessel* shall be considered part of the boiler *or pressure vessel* installation, subject to the same boiler *or pressure vessel* code requirements, and shall be designed in accordance with the rules of A.S.M.E. power piping code *ANSI* [U.S.A.S.B.]31.1 or its subsequent revisions *and A.S.M.E. boiler and pressure vessel code sections I, and VIII (division 1) and their subsequent revisions.* Inspection of such piping shall be performed by an inspector qualified under KRS 236.070 or KRS 236.080.

(3) All new connecting piping subjected to pressure emanating from a heating boiler shall be considered part of the heating boiler installation, subject to the same boiler code requirements and shall be designed in accordance with the rules of the A.S.M.E. heating boiler code, section 4 and its subsequent revisions and this chapter. Inspection of such piping shall be performed by a boiler and pressure vessel inspector.

Section 6. KRS 236.050 is amended to read as follows:

(1) The maximum allowable working pressure of a boiler *or pressure vessel* carrying the ASME code symbol shall be determined by the applicable sections of the code under which it was constructed and stamped.

(2) The maximum allowable working pressure of a boiler *or pressure vessel* which does not carry the ASME code symbol shall be computed in accordance with the ASME "Suggested Rules Governing Existing Installations",[.] *section I appendix, section IV appendix, and section VIII appendix and the regulations adopted in accordance with KRS 236.030.*

(3) This chapter shall not be construed as in any way preventing the use or sale of a boiler referred to in this section, provided it has been made to conform to the rules and regulations of the commissioner governing existing installations; and provided, further, it has not been found upon inspection to be in an unsafe condition.

Section 7. KRS 236.060 is amended to read as follows:

(1) KRS 236.005 to 236.150 shall not apply to boilers *or pressure vessels* or related piping under federal control.

(2) KRS 236.005 to 236.150 shall not apply to the following boilers or related piping:

(a) Boilers *or pressure vessels* located on farms and used solely for agricultural purposes;

(b) Boilers *or pressure vessels* located at any oil refineries;

(c) Steam or vapor boilers used for heating purposes carrying a pressure of not more than fifteen (15) pounds per square inch gauge, and which are located in private residences or in apartment houses of less than six (6) families;

(d) Hot water heating boilers carrying a pressure of not more than thirty (30) pounds per square inch gauge which are located in private residences or in apartment houses of less than six (6) families or hot water supply boilers which are located in private residences or in apartment houses of less than six (6) families;

(e) Any unfired pressure vessels used as containers for liquefied petroleum gases and subject to the jurisdiction of the department of housing, buildings and construction under KRS Chapter 234;

(f) Pressure vessels used for transportation of compressed gases if constructed and operated in compliance with specifications and regulations of another state or federal authority;

(g) Pressure vessels containing air located on vehicles operating under the regulations of another state or federal authority;

(h) Pressure vessels operating at a maximum pressure of fifteen (15) PSI or less;

(i) Single wall pressure vessels having an inside diameter of six (6) inches;

(j) Pressure vessels with a nominal water containing capacity of one hundred twenty (120) gallons or less, to be used for domestic supply purposes, for containing water under pressure, including those containing air, the compression of which serves only as a cushion;

(k) Pressure vessels containing water heated by steam or other indirect means when none of the following are exceeded;

1. Heat input of two hundred thousand (200,000) BTU/Hr.;

2. Water temperature of two hundred ten (210) degrees Fahrenheit;

3. Water storage capacity of one hundred twenty (120) gallons;

(l) Coil type hot water boilers without a steam space and where no steam is generated within the confines of the unit but where water flashes into steam when released to atmospheric pressure by the operation of a manually operated nozzle, unless one of the following is exceeded:

1. Three quarter (¾) inch inside diameter tubing or pipe size with no drum or header attached;

2. Six (6) gallon water containing capacity;

3. Three hundred fifty (350) degree Fahrenheit water temperature;

(m) Water heaters which are directly fired with oil, gas or electricity when none of the following limitations are exceeded:

1. Heat input of two hundred thousand (200,000) BTU/Hr.;

2. A water temperature of two hundred ten (210) degrees Fahrenheit;

3. A water containing capacity of one hundred twenty (120) gallons;

(n) Pressure vessels which may be classified as:

1. Pressure containers which are integral parts of components of rotating or reciprocating mechanical devices such as pumps, compressors, turbines, generators, engines and hydraulic or pneumatic cylinders where the primary design considerations or stresses are derived from the functional requirements of the device; or

2. Structures whose primary function is the transport of fluids from one location to another within a system of which it is an integral part, that is, piping system.

Section 8. KRS 236.070 is amended to read as follows:

The department shall employ boiler *and pressure vessel* inspectors who shall have had at the time of appointment not less than five (5) years practical experience in the construction, maintenance, repair or operation of high pressure boilers and [unfired] pressure vessels as a mechanical engineer, practical steam operating engineer, boilermaker, *pressure vessel inspector* or boiler inspector, and who shall have passed the examination provided for in KRS 236.090.

Section 9. KRS 236.080 is amended to read as follows:

(1) In addition to the boiler inspectors authorized by KRS 236.070, the department shall, upon the request of any company authorized to insure against loss from explosion of boilers *and pressure vessels* in this state, issue to any boiler inspectors of said company commissions as special boiler inspectors, provided that each such special boiler inspector before receiving such commission, shall satisfactorily pass the examination provided for in KRS 236.090, or, in lieu of such examination, shall hold a commission *or certificate* of competency as an inspector of boilers *and pressure vessels* for a state that has a standard of examination substantially equal to that of this Commonwealth or a commission as an inspector of boilers *and pressure vessels* issued by the national board of boiler and pressure vessel inspectors.

(2) Such special boiler inspectors shall receive no salary from, nor shall any of their expenses be paid by, the state and the continuance of a special [boiler] inspector's commission shall be conditioned upon his continuing in the employ of *an* [a boiler] insurance company duly authorized as aforesaid and upon his maintenance of the standards imposed by this chapter.

(3) Such special [boiler] inspectors shall inspect all boilers *and pressure vessels* insured by their respective companies, and, when so inspected *and reported as required*, the owners and users of such insured boilers *and pressure vessels* shall be exempt from the payment to the state of the inspection fees as provided for in KRS 236.120 and 236.130.

(4) Each company employing such special boiler inspectors shall within thirty (30) days following each *certificate* [internal boiler] inspection made by such inspectors, file a report of such inspection with the *division upon appropriate forms prescribed by the division* [department upon appropriate forms prescribed by the department]. *Other than the certificate inspection report, no reporting of other inspections shall* [Reports of external inspections shall not] be required except when such inspections disclose that the boiler is in a dangerous condition.

(5) *Boiler and pressure vessel* inspectors, whether employes of the department or special inspectors, shall have free access, during reasonable hours, to any premises in the state where a boiler *or pressure vessel* is being constructed or is being installed, for the purpose of ascertaining whether such boiler *or pressure vessel* is constructed and installed *or is being installed* in accordance with the law, and any orders, rules or regulations in existence at that time.

Section 10. KRS 236.090 is amended to read as follows:

Examination for *a certificate of competency or a national board commission for boiler inspectors or special boiler inspectors shall be in writing and shall be given and monitored by the boiler inspection section. Examinations are given on the first Wednesday and Thursday of the months of March, June, September and December of each year* [boiler inspectors or special boiler inspectors shall be in writing and shall be given by the department of personnel]. The record of an applicant's examination shall be accessible to said applicant and his employer.

Section 11. KRS 236.100 is amended to read as follows:

(1) Any boiler inspector's *or special inspector's* appointment or commission may be suspended *or revoked* by the department, after due investigation *and hearing thereon*, for the incompetence or untrustworthiness of the holder thereof, *or* for wilful falsification of any matter or statement contained in his application or in a report of any inspection made by him. Written notice of *and an opportunity for a hearing on* any such suspension *or revocation* shall be given by the department, to the inspector, and in the case of *a* special boiler inspector, *also to* his employer *in accordance with the notice and hearing requirements of KRS 236.150.*

(2) A person whose appointment or commission has been suspended shall be entitled to apply *to the commissioner*, after ninety (90) days from the date of such suspension *or revocation*, for reinstatement of such appointment or commission.

(3) Any wilful falsification of an application or inspection report shall constitute a misdemeanor and shall subject the inspector or special inspector to the penalties provided in KRS 236.990.

Section 12. KRS 236.110 is amended to read as follows:

(1) [On and after July 1, 1962,] Each boiler *or pressure vessel* used or proposed to be used within this state, except boilers *or pressure vessels* exempt under KRS 236.060, shall be thoroughly inspected as to their construction, installation and condition as follows:

(a) *Power boilers shall receive a certificate inspection annually which shall be an internal inspection where construction permits; otherwise it shall be as complete an inspection as possible. Such boilers shall also be externally inspected while under pressure if possible* [Power boilers, meaning boilers operating at steam or vapor pressures in excess of fifteen (15) pounds per square inch gauge, shall be inspected annually both internally and externally while not under pressure and shall also be inspected annually externally while under pressure if possible].

(b) Low pressure steam or vapor heating boilers, hot water heating boilers and hot water supply boilers shall *receive a certificate inspection biennially; said inspection shall include internal inspection where construction permits. External inspections are required where construction does not permit internal inspection* [be inspected both internally and externally biennially where construction will permit].

(c) *Pressure vessels shall be inspected at time of installation to ascertain that they are in conformance with KRS 236.040. Subsequent reinspections, if any, shall be set by regulation of the department.*

(d) A grace period of two (2) months beyond the periods specified in paragraphs (a), [and] (b) *and (c)* of this subsection may elapse between inspections.

(e)[(d)] The department may at its discretion permit longer periods between inspections.

(f)[(e)] *All* [Upon June 18, 1970, or on and after July 1, 1970, any] new boiler *or pressure vessel installations* [installation] to be used within this state, excepting boilers *or pressure vessels* exempted under KRS 236.060, shall be inspected during the installation period to ascertain that all pressure piping conforms to the requirements of KRS 236.040. An inspection certificate [(or operating certificate)] may not be issued on any new installation until these requirements are fulfilled.

(g)[(f)] It shall be the responsibility of the installing contractor to request the above inspection by notifying the boiler inspection section of the *state fire marshal's office* [department] that the installation is ready for such inspection. This must be accomplished prior to covering of any welded or mechanical joints on pressure piping or valves by insulation, paint or structural materials. The contractor shall provide ready access for the inspector to all parts of the piping system.

(h)[(g)] Inspection of pressure piping applies only to new *boiler or pressure vessel* installations, or reinstallations, or installation of secondhand boilers (as defined under "Boiler Rules and Regulation") [installed or reinstalled after July 1, 1970]. No annual or biennial reinspection is required once the system has been approved.

(i)[(h)] "Existing installations," as applied to inspection of piping systems is defined as any boiler and piping system completed and approved for operation prior to July 1, 1970. Such existing installations will not be subject to the foregoing piping inspection unless adjudged patently unsafe for operation by *a boiler* [an] inspector holding a commission issued by the national board of boiler and pressure vessel inspectors. If an existing installation is so adjudged the owner will be granted full rights of appeal as set forth under KRS 236.150.

(j)[(i)] At such time as an existing installation undergoes extensive overhaul or more than fifty (50) linear feet of pressure piping requires renewal or is added to the existing system, the entire system of piping

carrying pressure emanating from the boilers shall be subject to inspection and will be brought up to standards required by KRS 236.040.

(k)[(j)] The installing contractor of a piping system carrying pressure emanating from a boiler *or pressure vessel* subject to inspection under provisions of KRS 236.050 to 236.150, shall pay to the department, upon completion of inspection, fees in accordance with a schedule set up by the board and approved by the commissioner.

(l)[(k)] Operation of a pressure piping system in conjunction with a boiler *or pressure vessel*, either of which has not been inspected and approved as set forth above, shall be subject to fines and penalties as set forth in KRS 236.990.

(2) The inspections required in this section shall be made by a boiler *and pressure vessel* inspector or by a special boiler inspector *except that all new installations shall be inspected by a boiler inspector employed by the department* [provided for in this chapter].

(3) If at any time a hydrostatic, *pneumatic or any other nondestructive test shall be deemed necessary for ascertaining acceptability, the same shall be made by the contractor or owner-user, whichever is responsible for the condition, and be witnessed by a boiler inspector or special boiler inspector* [test shall be deemed necessary, same shall be made, at the discretion of the inspector, by the owner or user thereof].

(4) All boilers to be installed in this state after July 1, 1970, *and all pressure vessels installed in this state after the effective date of this Act,* shall be inspected during construction as required by the applicable rules and regulations of the department by a boiler *and pressure vessel* inspector authorized to inspect boilers *and pressure vessels* in this state, or, if constructed outside of the state, by an inspector holding a *commission from the national board* [certificate of competency] as an inspector of boilers *and pressure vessels* [for a state that has a standard of examination substantially equal to that of this state as provided in KRS 236.090].

(5) No person shall wilfully falsify any statement designed to secure the issuance, renewal or reinstatement of a certificate of inspection. Violation of this subsection shall subject such a person to the penalties stated in KRS 236.990.

Section 13. KRS 236.120 is amended to read as follows:

(1) If, upon inspection, a boiler *or pressure vessel* is found to comply with the rules and regulations of the *department* [board], the owner, [or] user, *or insurance company* thereof shall pay to the department the sum of *five dollars ($5). When the inspection is made by a special inspector, said inspector shall attach the certificate fee to his report.* [two dollars ($2.00) and] The *chief* boiler inspector, or his duly authorized representative, shall issue to such owner or user *a* [an inspection] certificate *of inspection for the boiler or pressure vessel* bearing the date of inspection and specifying the maximum pressure under which the boiler may be operated. *An* [Such] inspection certificate shall be valid for not more than fourteen (14) months from its date in the case of power boilers, and twenty-six (26) months in the case of low pressure steam or vapor heating boilers, hot water heating boilers or hot water supply boilers. Certificates shall be posted under glass in the room containing the boiler inspected or, in the case of a portable boiler, shall be kept in [a metal container, either fastened to the boiler or kept in] a tool box accompanying the boiler.

(2) No [inspection] certificate *of inspection* issued for an insured boiler inspected by a special [boiler] inspector shall be valid after the boiler for which it was issued shall cease to be insured by a company duly authorized by this state to carry such insurance.

(3) The commissioner or his authorized representative may at any time suspend *a* [an inspection] certificate *of inspection* when, in his opinion, the boiler *or pressure vessel* for which it was issued, cannot be operated without menace to the public safety, or when the boiler *or pressure vessel* is found not to comply with the rules and regulations provided in this chapter. A special boiler inspector shall have corresponding powers with respect to *suspending certificates of* inspection [certificates] for boilers insured by the company employing him. Such suspension of *a certificate of inspection* [an inspection certificate] shall continue in effect until such boiler *or pressure vessel* shall have been made to conform to the rules and regulations of the board, and until said inspection certificate shall have been reinstated.

(4) A suspended certificate of inspection shall be reissued on the recommendation of the boiler inspector or special boiler inspector who first caused the suspension or at the discretion of the chief boiler inspector.

Section 14. KRS 236.130 is amended to read as follows:

(1) The owner or user of a boiler *or pressure vessel* required by this chapter to be inspected shall pay to the department, upon completion of inspection, fees in accordance with the following schedule:

(a) Power boilers:

Internal inspections

Boilers of less than *100* [50] sq. ft. of heating surface	*$10.00*[$ 5.00]
Boilers over *100* [50] sq. ft. of heating surface and less than *1,000* [4,000] sq. ft. of heating surface	*20.00*[12.00]
Boilers over *1,000* [4,000] sq. ft. of heating surface and less than *4,000* [10,000] sq. ft. of heating surface	*35.00*[15.00]

Boilers over 4,000 sq. ft. and less than 10,000 sq. ft. of heating surface	*50.00*
Boilers over 10,000 sq. ft. of heating surface	*80.00*[20.00]
External inspections, *power boilers:*	
Boilers of less than *100* [50] sq. ft. of heating surface	*8.00*[3.00]
Boilers over *100* [50] sq. ft. of heating surface	*10.00*[5.00]

Not more than the equivalent of the internal and external inspection fees shall be charged or collected for any and all inspections as above of any boiler in any one (1) year.

(b) *Heating boilers:*

Boilers with manway where internal inspection required	*$20.00*
Other heating boilers	*10.00*
Heating boilers - External inspection:	
Hot water supply boilers	*5.00*
Miniature boilers	*5.00*

(c) Pressure vessels:

Initial installation inspection	*10.00*
[Low pressure boilers:	
Inspection of heating boilers without a manhole	$ 5.00
Inspection of heating boilers with a manhole	10.00
Inspection of hot water supply boilers	3.00]

Not more than one (1) fee shall be charged or collected for any kind all inspections as above of any low pressure boiler in any two-year period.

(d)[(c)] Hydrostatic tests:

When it is necessary to make a special trip to witness the application of a hydrostatic *or pneumatic* test, an additional fee based on the scale of fees applicable to an internal inspection of the boiler shall be charged.

(e)[(d)] All other inspections, including shop inspections and inspection of secondhand or used boilers made by the boiler inspector shall be charged for at the rate set by regulation[, rule or order] promulgated by the commissioner upon advice of the board *pursuant to KRS Chapter 13.*

(2) All fees received by the department shall be held in a *trust and agency* [revolving] fund from which the expenses of administering this chapter *and other departmental responsibilities* may be paid *and no portion of said fund shall lapse into the general fund at the end of each fiscal year.*

Section 15. KRS 236.150 is amended to read as follows:

(1) Any person aggrieved by an order or act of a boiler *and pressure vessel* inspector, under this chapter, may, within fifteen (15) days of notice thereof, appeal from the order or act to the commissioner who shall, within thirty (30) days thereafter, hold a hearing, after having given at least ten (10) days written notice to all interested parties. The commissioner shall, within thirty (30) days after the hearing, issue an appropriate order either approving or disapproving the order or act. A copy of such order by the commissioner shall be given to all interested parties.

(2) Within thirty (30) days after any order or act of the commissioner, any person aggrieved thereby may file a petition in the Franklin Circuit Court for a review thereof. The court shall summarily hear the petition and may make any appropriate order or decree.

Section 16. KRS 236.210 is amended to read as follows:

(1) No person, *except contractor-installers of boilers operating at more than five hundred (500) pounds per square inch gauge or at more than four hundred sixty-seven (467) degrees fahrenheit,* shall engage in the business of installing, erecting, or repairing boilers unless he first obtains a license from the commissioner [or] on recommendation of the board.

(2) Each person, firm or corporation must *pass an examination prepared by the board and administered by the department* [furnish evidence suitable to the board that they are qualified to perform such work].

(3) License shall be issued by the commissioner or the chief boiler inspector upon recommendation of the board and payment of a fee of fifty dollars ($50) for each application.

(4) The license shall be *renewable* [renewed] annually, not later than the first of the month following the expiration date, upon payment of a fee of thirty-five dollars ($35).

(5) All individuals in the employ of a licensee shall not be required to be licensed.

[(6) Persons actively engaged in the practice of installing, erecting or repairing boilers in this state for a period of not less than three (3) years prior to June 21, 1974, upon furnishing adequate proof thereof to the department and upon payment of an application license fee of fifty dollars ($50) shall be entitled to a license under the provisions of KRS 236.210 to 236.260 without examination. Application for such a license shall be filed with the department not later than ninety (90) days after June 21, 1974.]

Section 17. KRS 236.220 is amended to read as follows:

(1) A license issued under KRS 236.210 to 236.260 may be suspended *or revoked* for falsification of any information contained in the application. Written notice of a suspension shall be given to the licensee

by the chief boiler inspector within ten (10) days of the first notification of the violation. A person whose license has been suspended may appeal to the board as provided in KRS 236.150 and be present in person and represented by counsel at the hearing of the appeal.

(2) If the board has reason to believe that a licensee is no longer qualified to hold his license, the board, upon ten (10) days' written notice to the licensee, shall hold a hearing at which the licensee shall have an opportunity to be heard. If, as a result of the hearing, the board finds that the licensee is no longer qualified to hold his license, the board shall recommend to the commissioner that the license be revoked or suspended.

(3) A person whose license has been suspended may apply for reinstatement of the license after ninety (90) days from the date of the suspension.

Section 18. KRS 236.240 is amended to read as follows:

(1) No person shall install, erect or make major repairs affecting the strength of a boiler *or pressure vessel* without first securing a permit from the department. Permits shall be issued only to persons licensed under KRS 236.210 to 236.260.

(2) No work shall be performed except by, or under the supervision of such licensed person. The permit fees shall be set by the board.

(3) The permit fees will include one interim inspection and one final inspection for issuance of boiler [operating] certificate *of inspection.*

(4) Special inspections and more than two (2) inspections *requested by the licensee* for each permit will be charged fees in accordance with KRS 236.130.

Section 19. KRS 236.250 is amended to read as follows:

(1) No person shall make major repairs affecting the strength *or safety* of boilers *or pressure vessels* without first securing a permit from the department unless repairs have been authorized by *a boiler inspector or special boiler* [an authorized] inspector pending issuance of the permit or unless such repairs are emergency *repairs authorized by the department, a special boiler inspector or a boiler inspector pending issuance of the permit. No permit will be required for emergency items not affecting the strength of the boiler or pressure vessel, when* [maintenance] performed by qualified persons regularly employed by firms utilizing properly qualified procedures [to repair boilers]. Permits shall only be issued to persons licensed under the provisions of *this chapter* [KRS 236.210 to 236.260]. A permit fee shall be paid directly to the department, and shall accompany the repair application.

(2) Payment of permit to repair fees will not be required from firms utilizing properly qualified welding procedures and regularly employing qualified welders, *certified by and* registered with the department, to weld on boilers owned and operated by such firms.

Section 20. KRS 236.260 is amended to read as follows:

The commissioner, the chief boiler inspector or any deputy inspector shall have free access, during reasonable hours, to any premises in the state where a boiler *or pressure vessel* is being constructed, installed or repaired for the purpose of ascertaining whether the work being performed is in accordance with the provisions of KRS Chapter 236 *or any orders or regulations made thereunder.*

SECTION 21. A NEW SECTION OF KRS CHAPTER 236 IS CREATED TO READ AS FOLLOWS:

(1) Any person who wilfully violates any provision of this chapter, or any rule, regulation, summary order or order of the state fire marshal, or an authorized deputy state fire marshal, or the chief boiler inspector, or of any authorized boiler or pressure vessel inspector, adopted or made pursuant to this chapter, shall be subject to suspension or revocation of any appointment, commission, certification, registration, license, or permit made or issued by the department and held by that person, in accordance with the procedures specified in KRS 236.220, or in lieu of such suspension or revocation, shall be subject to an administrative fine of not less than ten dollars ($10) and not exceeding five hundred dollars ($500) after notice and hearing by the board in accordance with KRS 236.220. Each day such violations exist shall, in the discretion of the board, be considered as a separate violation.

(2) As an aid to enforcement of the provisions of this chapter, or of any regulation or order relating thereto, the state fire marshal or his authorized deputy or employe may take any administrative action or bring any legal action in the manner authorized in KRS Chapter 227 that is designed to prevent or correct any condition constituting or threatening to constitute a violation of any provision of this chapter.

Section 22. KRS 236.990 is amended to read as follows:

(1) [After twelve (12) months following June 14, 1962,] It shall be unlawful for any person, firm, partnership or corporation to operate in this state a boiler *or pressure vessel* [under pressure] without a valid *certificate of* inspection [certificate]. The operation of a boiler *or pressure vessel* without such *valid* [inspection] certificate, or at a pressure exceeding that specified in such inspection certificate, shall constitute a misdemeanor on the part of the owner, user or operator thereof and shall be punishable by a fine not exceeding five hundred dollars ($500) or imprisonment not to exceed three (3) months, or both, at the discretion of the court. Each day of such unlawful operation shall be deemed a separate offense.

(2) Any person who violates the provisions of KRS 236.040(1); 236.080(4); 236.100(1), (4) and (5); 236.210(1); 236.220(1); 236.240(1) and (2); 236.250(1); or any proper order or regulation made or adopted thereunder; or who hinders or obstructs an authorized inspector in the performance of his duties under this chapter, shall be subject to the penalties in subsection (1) above.

Section 23. KRS 236.140, Inspector's bond, is repealed.

HB 827, AN ACT relating to unemployment compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 341.055 is amended to read as follows:

Unless the employing unit thereof has elected that such services become covered employment under the provisions of subsection (3) or (4) of KRS 341.250, "covered employment" shall not include:

(1) Service performed in agricultural labor, as defined in section 3306(k) of the Internal Revenue Code, but only if such service is not defined as "covered employment" in paragraphs (f) and (h) of subsection (1) of KRS 341.050; or agricultural service performed prior to January 1, 1980 by an individual who is an alien admitted to the United States to perform service in agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the immigration and nationality act;

(2) Domestic service in a private home, a local college club, or local chapter of a college fraternity or sorority but only if such service is not defined as "covered employment" in paragraphs (g) and (h) of subsection (1) of KRS 341.050;

(3) Service in the employ of an organization described in paragraphs (e) of subsection (1) of KRS 341.050 but only if such service is not defined as "covered employment" in paragraphs (e) and (h) of subsection (1) of KRS 341.050;

(4) Certain service performed in the employ of this state or any of its political subdivisions or municipalities or instrumentalities thereof but only if such service is performed by an individual in the exercise of his or her duties:

(a) As a public elected official; or

(b) As a member of a legislative body of this state or a political subdivision thereof; or

(c) As a member of the judiciary of this state or political subdivision thereof; or

(d) As a member of the state National Guard or Air National Guard; or

(e) As an employe serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency; or

(f) In a position which, under or pursuant to the state law is designated as a major nontenured policymaker or advisory position, or a policymaking or advisory position the performance of the duties of which ordinarily does not require more than eight (8) hours per week or by reason of service on any appointed state or local board or commission; or

(g) As a part-time staff employe of the general assembly, or any temporary, part-time or seasonal employe of the Commonwealth or political subdivision thereof if not required to be covered employment pursuant to Section 3309 of the Internal Revenue Code, as amended, as a requirement of Section 3304 of that code, as amended, for approval of the state's unemployment insurance law;

(5) Except as provided in paragraph (d) of subsection (1) of KRS 341.050 service performed in the employ of any other state or any political subdivision thereof, or of the United States government or an instrumentality of the United States exempt by federal law from the contributions imposed by this chapter, except that to the extent that the congress of the United States shall permit states to require instrumentalities of the United States to make payments into an unemployment fund under a state unemployment insurance law, all the provisions of this chapter shall be applicable to such instrumentalities, and to services performed for such instrumentalities, in the same manner, to the same extent and on the same terms as to all other employing units, individuals and services; provided that if this state shall not be certified for any year by the secretary of labor of the United States under section 3304 of the Internal Revenue Code, the payments required of such instrumentalities with respect to such year shall be refunded from the fund in the same manner and within the same period as is provided in KRS 341.330 with respect to contributions erroneously collected;

(6) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of congress. The secretary may enter into agreements with the proper agencies under such act of congress to provide reciprocal treatment to workers who have, after acquiring potential rights to benefits under this chapter, acquired rights to unemployment compensation under such act of congress, or who have, after acquiring potential rights to unemployment compensation under such act of congress, acquired rights to benefits under this chapter;

(7) [Service performed by a worker in the employ of his son, daughter, or spouse and service performed by a child under the age of twenty-one in the employ of his father or mother;

(8)] Service performed in the employ of a foreign government (including service as a consular, or other officer or employe or a nondiplomatic representative), or of an instrumentality wholly owned by a foreign government if:

(a) The service is of a character similar to that performed in foreign countries by employes of the United States government or of an instrumentality thereof, and

(b) The secretary finds that the United States secretary of state has certified to the United States secretary of the treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employes of the United States government and of instrumentalities thereof;

(8)[(9)] Service performed as a student nurse in the employ of a hospital or a nurses' training school by a worker who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to the laws of this state; and service performed as an intern in the employ of a hospital by a worker who has completed a four (4) years' course in a medical school chartered or approved pursuant to the laws of this state;

(9)[(10)] Service performed by a worker for an employing unit as an insurance agent or as an insurance solicitor, if all such service performed by such worker for such employing unit is performed for remuneration solely by way of commission;

(10)[(11)] Service performed by a worker under the age of eighteen (18) in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(11)[(12)] Service not in the course of the employing unit's trade or business performed in any calendar quarter by a worker, unless the cash remuneration paid for such service is fifty dollars ($50) or more and such service is performed by an individual who is regularly employed by such employing unit to perform such service. For the purpose of this subsection, an individual shall be deemed to be regularly employed by an employing unit during a calendar quarter only if:

(a) On each of some twenty-four (24) days during such quarter such individual performs for such employing unit for some portion of the day service not in the course of the employing unit's trade or business, or

(b) Such individual was regularly employed (as determined under paragraph (a) above) by such employing unit in the performance of such service during the preceding calendar quarter;

(12)[(13)] Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501(a) of the Internal Revenue Code (other than an organization described in section 401(a)), or under section 521 of the Internal Revenue Code, if the remuneration for such service is less than fifty dollars ($50);

(13)[(14)] Service performed in the employ of an international organization;

(14)[(15)] Service covered by an election duly approved by the agency charged with the administration of any other state or federal employment security law, in accordance with an arrangement pursuant to KRS 341.145 during the effective period of such election;

(15)[(16)] Service performed in the employ of a school, college, or university, if such service is performed:

(a) By a student who is enrolled and is regularly attending classes at such school, college or university, or

(b) By the spouse of such a student, if such spouse is advised, at the time such spouse commences to perform such service, that:

1. The employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school, college, or university, and

2. Such employment will not be covered by any program of unemployment insurance;

(16)[(17)] Service performed by an individual under the age of twenty-two (22) who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this subsection shall not apply to service performed in a program established for or on behalf of an employer or group of employers;

(17)[(18)] Service performed in the employ of a hospital, if such service is performed by a patient of the hospital, as defined in KRS 341.067;

(18)[(19)] Service performed in the employ of a church or convention or association of churches, or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches; or by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(19)[(20)] Service defined in KRS 341.050(1)(d) and (e) performed in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work; or as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training in a custodial or penal institution by an inmate of such institution.

The Committee on Transportation reported **HB 417, HB 682, HB 706, HB 757, HB 854, HB 860, HCR 6** with Committee Amendment and Committee Title Amendment attached thereto, **HCR 105, HCR 106,** and **HCR 107** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 417, AN ACT relating to parking regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.450 is amended to read as follows:

(1) No person shall stop a vehicle, leave it standing or cause it to stop or to be left standing upon the main traveled portion of a highway; Provided, however, That this section shall not be construed to prevent parking off the main traveled portion of a highway or street in a city or suburban area where such parking is otherwise permitted. This subsection shall not apply to:

(a) A vehicle that has been disabled on the main traveled portion of such a highway in such a manner and to such extent that it is impossible to avoid the occupation of the main traveled portion or impracticable to remove it from the highway until repairs have been made or sufficient help obtained for its removal;

(b) Motor vehicles when required to stop in obedience to the provisions of any section of the Kentucky Revised Statutes or any traffic ordinance, regulation or sign or the command of any peace officer;

(c) Vehicles operating as common carriers of passengers for hire and school buses taking passengers on such vehicle or discharging passengers therefrom, provided that no such vehicle shall stop for such purposes at a place on the highway which does not afford reasonable visibility to approaching motor vehicles from both directions.

(d) Any vehicle required to stop by reason of an obstruction to its progress.

(2) Whenever any police officer finds a vehicle standing upon such a highway in violation of this section, he may move the vehicle, or require the operator or other person in charge of the vehicle to move it, to a position off the paved or improved or main traveled part of the highway.

(3) Whenever any police officer finds a vehicle unattended upon any bridge or causeway or in a tunnel where the vehicle constitutes an obstruction to traffic, the officer may provide for the removal of the vehicle to the nearest garage or other place of safety.

(4) No person shall stop or park a vehicle except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic control device, in the following places:

(a) On a sidewalk;

(b) *In front of sidewalk ramps provided for handicapped persons;*

(c) In front of a public or private driveway;

(d)[(c)] Within an intersection;

(e)[(d)] At any place where official signs prohibit stopping or parking; or

(f)[(e)] Within thirty (30) feet upon the approach to any flashing beacon, stop sign or traffic control signal located at the side of a roadway.

(5) No person shall move a vehicle not lawfully under his control into any such prohibited area.

(6) The restrictions in subsection (4) *(e)* [(d)] of this section shall not apply to sheriffs and their deputies when operating properly identified vehicles during performance of their official duties.

HB 682, AN ACT relating to financing mass transportation programs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96A.320 is amended to read as follows:

(1) As used in KRS 96A.310 to 96A.370, the term "mass transportation program" shall mean the provision of necessary funds by public bodies to transit authorities created pursuant to KRS chapter 96A with which to acquire, operate and preserve mass transportation facilities. A "mass transportation program" may also include a method for the public body or public bodies to finance principal and interest payments on any general obligation bonds issued pursuant to KRS 96A.120, or to finance transportation related facilities to promote the movement of vehicles and people.

(2) Public bodies which have been parties to the creation and establishment of transit authorities, or who constitute the membership of such transit authorities, may, acting either individually or jointly, submit to either (i) the electorates of such public bodies, or (ii) the electorate of the transit area encompassed by any such transit authority, but only in the manner and pursuant to the procedures set forth in KRS 96A.310 to 96A.370, one or more proposals for the approval of a mass transportation program to be financed by additional voted levies of ad valorem taxes upon all taxable property in such public body or public bodies. Such additional voted levies of ad valorem taxes upon all taxable property in any such public body shall never exceed in the aggregate the limits prescribed by the Constitution of Kentucky for any such public body.

(3) Public bodies which have been parties to the creation and establishment of transit authorities, or who constitute the membership of such transit authorities, may, acting either individually or jointly, submit to either (i) the electorates of such public bodies, or (ii) the electorate of the transit area encompassed by any such transit authority, but only in the manner and pursuant to the procedures set forth in KRS 96A.310 to 96A.370, one or more proposals for the approval of a mass transportation program to be financed by voted levies of occupational license fees. Such voted levies of occupational license fees shall not exceed one percent (1%) of (a) salaries, wages, commissions and other compensation earned by persons for work done and services performed or rendered, and (b) the net profits of businesses, trades, professions or occupations from activities conducted in the public body, or the transit area, except public service companies, banks, trust companies, combined banks and trust companies, combined trust, banking and title companies, any savings and loan association whether state or federally chartered, and in all other cases where a public body is prohibited by law from imposing a license fee. *Persons who work in a transit area containing a city of the first class but whose legal residence is outside the transit area shall be exempt from any such voted levy of occupational license fees as provided for in this subsection until such time as transit service is extended to the county seat of the county in which the persons reside.*

(4) Public bodies which have been parties to the creation and establishment of transit authorities, or who constitute the membership of such transit authorities, may, acting either individually or jointly, submit to either (i) the electorates of such public bodies, or (ii) the electorate of the transit area encompassed by any such transit authority, but only in the manner and pursuant to the procedures set forth in KRS 96A.310 to 96A.370, one or more proposals for the approval of a mass transportation program to be financed by the voted levy of a sales tax upon all retailers at a rate not to exceed one-half of one percent of the gross receipts of any retailer derived from "retail sales" or "sales at retail" made within the public body or public bodies, provided, however, that public transit sales tax shall not be levied on those retail sales which are exempted from the state sales tax by KRS Chapter 139 on June 19, 1976, or hereafter exempted. Any sales tax levied for said purpose shall be in addition to the sales tax authorized by Chapter 139 of the Kentucky Revised Statutes. Said public transportation sales tax shall be collected and administered under the provisions of Chapter 139 of the Kentucky Revised Statutes and the rules and regulations of the Kentucky department of revenue. The Kentucky department of revenue shall refund that portion of the sales tax collected as a public transportation tax to the public body or bodies imposing said tax. Notwithstanding any other provision contrary hereto, a mass transportation program financed by a public body or public bodies from said sales tax shall be restricted by the following order of priorities, to wit: first, the annual payment of principal, interest and sinking fund requirements on any general obligation bonds issued pursuant to KRS 96A.120; second, appropriations to the transit authority to provide local matching funds for any available federal or state capital, operating or planning and demonstration, grant projects in accordance with the annual approved budget; and third, any excess funds in the control of each public body receiving said tax shall be transferred to the general fund of each such public body for public transportation and traffic improvement projects at any location within a city or county, in any manner which said public body or public bodies determine will improve transportation, road or traffic conditions, or in general will promote the movement of people and vehicles.

HB 706, AN ACT relating to public transportation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96A.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires, the following words or terms shall mean as follows:

(1) "City" means any incorporated city in the commonwealth;

(2) "County" means any county in the commonwealth wherein there is located an incorporated city and for the purpose of this chapter shall also mean a county which has adopted an urban-county government;

(3) "State" means the commonwealth;

(4) "Transit authority" or "authority" means a transit authority created pursuant to this chapter;

(5) "Board" means the board of a transit authority;

(6) "Public body" means any city or county of the commonwealth;

(7) "Governing body" means, as to a county, the fiscal court thereof; and as to a city, the legislative body thereof, howsoever the same may be denominated according to law;

(8) "Proceedings" means, in the case of a county, a resolution of its fiscal court; and in the case of a city, an ordinance adopted and made effective according to law by its governing body;

(9) "Joint proceedings" relates only to the establishment of a transit authority by two (2) or more public bodies acting in concert or by agreement, and means the proceedings, taken collectively, by the governing bodies of the public bodies, participating in the creation and establishment of a transit authority;

(10) "Appointing authority" means, as to a county, the county judge/executive thereof; and as to any city, the elected chief officer thereof, whether designated as its mayor or the chairman of its board of trustees or otherwise;

(11) "Area" or "transit area" means the geographical area which may be encompassed from time to time within the lawful boundaries of such cities and counties as may be involved in the creation and establishment of an authority; and of any cities or counties within any single unified metropolitan area which may subsequently become participants as provided in this chapter.

(12) "Mass transit," or "mass transportation," means the [local] transportation of persons and their baggage within *or without* a transit area, but shall not include [charter bus operations beyond the authority's transit area,] the for-hire operation of a taxicab[, airport limousine,] or industrial bus as defined by KRS chapter 281.

HB 757, AN ACT relating to the bureau of highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 174.015 is amended to read as follows:

(1) There is established within the department a bureau of highways and a bureau of vehicle regulation. These bureaus shall constitute the major organizational units within the department. Each bureau shall be headed by a commissioner appointed by the governor on recommendation of the secretary. The commissioner shall perform such functions, powers and duties as provided by law and as the secretary shall prescribe and shall be directly responsible to the secretary.

(2) There shall be established within the bureau of highways a division of rural and municipal roads. This division shall be headed by a deputy commissioner appointed by the secretary of the department. The deputy commissioner shall perform such functions, powers and duties as provided by law and as the secretary shall prescribe and shall be directly responsible to the secretary.

SECTION 2. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The division of rural and municipal roads shall be responsible for the management and coordination of the rural secondary and county road aid program established by KRS 177.320 and the municipal road aid program established by KRS 177.365.

(2) The division of rural and municipal roads may be assigned other functions deemed necessary by the secretary to promote the construction, reconstruction and maintenance of state rural and secondary, county and municipal highways, road, streets, and bridges.

HB 854, AN ACT relating to an overweight motor vehicles special energy road fund.

WHEREAS, the economic well-being of the Commonwealth of Kentucky requires that the abundant coal resources be transported over the public roads of the Commonwealth; and

WHEREAS, many of the public roads are not properly constructed in order to adequately provide for the transportation of coal; and

WHEREAS, the improvement of the public roads which are utilized for the purpose of hauling coal is necessary and desirable in order that such public roads may acquire the capacity to handle motor vehicles hauling coal and to provide for the health, welfare and safety of the general public and in particular the traveling public utilizing such roads; and

WHEREAS, sufficient funds are not available to properly construct, reconstruct, repair or maintain the public roads necessary for such roads to be made adequate for the purpose of being utilized to haul coal; and

WHEREAS, the enactment of a system to provide for the funding of programs to improve public roads utilized to haul coal is necessary and desirable; and

WHEREAS, this bill constitutes a system to provide for the funding of programs to improve coal haul roads by utilizing monies acquired from the persons using such roads to haul coal and also from the coal severance tax;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a special energy road fund in the state treasury to be administered by the department of transportation. The special energy road fund may receive state appropriations, gifts, grants, and federal funds.

(2) Money in the special energy road fund shall be used only for the construction, reconstruction, repair and maintenance of public highways, roads, streets or bridges in "coal producing counties" as defined in KRS 177.960(3) and only as provided in Section 4 of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other provisions of law, the department of transportation may issue energy road hauling permits for the operation of motor vehicles in coal producing counties as defined in KRS 177.960(3) for the purpose of hauling coal in motor vehicles whose gross weight, including vehicle and load, exceeds the limits prescribed by KRS Chapter 189. If the applicant for a permit desires to use motor vehicles with less than five (5) axles, then the applicant shall demonstrate to the satisfaction of the department that the use of five (5) axle vehicles is impracticable. Such permit may be issued to any individual, partnership, joint venture, association or corporation engaged in severing and/or processing coal who is a taxpayer pursuant to KRS Chapter 143. Such permit shall designate the portions of the state road system established pursuant to KRS 177.020 or county roads as set forth in KRS 178.010 over which such vehicles may operate pursuant to the permit. Such permit shall only be issued for the state or county roads connecting the coal mine to the first point of transfer to a coal processing or handling facility and the longest route from point of origin to point of destination shall not exceed thirty (30) miles for any such designation unless the secretary of the department determines, in his discretion, that a permit be issued for a greater distance. Such permit shall be upon such terms and conditions as the department may, in its discretion, require in the public interest. The department shall require, as a condition to the issuance of a permit, that the permittee agree to pay to the department the sum of fifteen cents (15¢) per ton of coal transported by the permittee on the portions of the state or county roads designated in the permit as long as such payment is required pursuant to Section 4 of this Act. Said permit shall remain in effect as long as the terms, conditions and agreements set forth in the permit are complied with by the permittee. The operation of any motor vehicle in accordance with the terms and conditions of any such permit shall not constitute a violation of the weight provisions of KRS Chapter 189, if the operator possesses a permit, or a copy of it, authenticated as required by the department.

(2) The department shall not issue a permit under this section to operate a vehicle over a county road unless an agreement for the issuance of permits pursuant to this Act shall have been entered into between the department and the fiscal court of the county in which such county road is located.

(3) The department shall not issue a permit under this section for a vehicle whose gross weight, including vehicle and load, exceeds eighty thousand (80,000) pounds.

(4) No person shall operate a motor vehicle in violation of the terms and conditions of any permit issued by the department pursuant to this section.

(5) The department is hereby empowered to:

(a) Exercise general supervision of the administering and enforcement of this section;

(b) Adopt rules and regulations with respect to the issuance of a permit, including, but not limited to, rules and regulations concerning the duration of a permit and weight limits for various types of vehicles and roads;

(c) Issue, continue in effect, revoke, modify or deny, under such conditions as the department may prescribe, permits provided for under this section.

Section 3. KRS 143.030 is amended to read as follows:

(1) Every individual, partnership, joint venture, association, or corporation engaged in severing and/or processing coal shall, prior to July 1, *1980*[1978], or prior to severing and/or processing coal in this Commonwealth, file an application for a certificate of registration in such form as the department may prescribe *and said application shall be accompanied by a copy of the transportation plan as required by KRS 350.060 or 351.175.* Every application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application.

(2) On or before the twentieth day of the month following the reporting period in which any coal is severed and/or processed, the taxpayer severing and/or processing such coal shall file with the department a tax return in such form as the department may require and remit the amount of the tax due. *The tax return shall specify the energy road hauling permit number or numbers, if any, issued pursuant to this Act under which coal was transported over state or county roads and shall specify the amount of coal transported pursuant to the issuance of each permit and the permittee shall also remit to the department the amount of payment due to the issuance of the permit pursuant to Section 2 of this Act.* A tax return is required for each reporting period even though there may be no tax liability.

(3) Whenever any taxpayer fails to comply with any provisions of this chapter, or any rule or regulation of the department relating thereto, the department may order the suspension or revocation of the certificate of registration held by such taxpayer.

(4) Any taxpayer, including any officer of a corporation, who conducts a coal severing and/or processing operation in this state without obtaining a certificate of registration or after a certificate of registration has been suspended or revoked, shall be guilty of a misdemeanor and upon conviction therefor, shall be fined an amount not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) or imprisoned for a period not to exceed six (6) months or both such fine and imprisonment.

SECTION 4. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) All monies paid to the department pursuant to the issuance of permits under the provisions of Section 2 of this Act shall be transmitted to the state treasury and be maintained in a special energy road fund to be administered by the department.

(2) All surplus funds in the special energy road fund shall be invested as provided for in KRS 41.380 and interest earned shall be credited to the special energy road fund to be administered by the department as set forth in this section.

(3) The department shall maintain a separate account for each permit issued pursuant to Section 2 of this Act in order to construct, reconstruct, repair and maintain state or county roads designated in the permit. Money expended from any account shall only be utilized to supplement and not in substitution of other funds available for the purpose of constructing, reconstructing, repairing, or maintaining roads designated in the permit. Money expended from any account shall be utilized primarily for the purpose of drainage correction, establishing a road base and road surfacing. The department after consultation with the permittee, shall develop a program for the maintenance and improvement of the roads designated in the permit. The program developed shall take into account the volumes of coal to be transported, the length of time the permit is expected to remain in effect and needs of the traveling public. The ultimate purpose of this program shall be to produce a paved road that will meet the needs of the traveling public and will withstand the loads to which the road is subjected and to improve the least serviceable portion of the road.

(4) Each separate account maintained pursuant to subsection (2) of this section shall be credited with the monies paid into the special energy road fund pursuant to subsection (1) of this section and an additional amount equal to two (2) times said payment as provided for in subsection (9) of Section 6 of this Act.

(5) The expenditure of any money in any account shall be in the sole discretion of the secretary of the department of transportation provided that any money to be expended from any account for the purpose of constructing, reconstructing, repairing or maintaining a county road shall be allocated to the fiscal court of the county in which the road is located for expenditure by the fiscal court on such road.

(6) Any expenditure of money from two (2) or more accounts for the construction, reconstruction, repair or maintenance of the same portion of a road designated in the permits shall be apportioned to each permit account according to the balance in each account as of the date of authorization provided for in subsection (5) of this section.

(7) Each account provided for in this section shall be maintained by this department as long as a permit issued pursuant to Section 2 of this Act remains in effect and also until all funds in the account have been expended.

(8) In the event that funds collected under the provisions of Section 2 of subsection (2) of this Act are determined by the department to be sufficient for the maintenance of the roads designated by the permit for the duration of the time period provided by said permit, the department may exempt further payment by the permit holder. In order for the exemption from payment to be granted, it shall be demonstrated that

the roads designated in the permit are paved roads that will meet the needs of the traveling public and will withstand the loads to which the roads are subjected.

(9) After said exemption from further payment is granted, should a special energy road fund account become depleted or it is determined that further maintenance will be required as a result of transportation demand, the department shall reinstitute the requirement for pay as prescribed in Section 2, subsection 2 of this Act.

Section 5. KRS 189.230 is amended to read as follows:

(1) The bureau, in respect to state and federal highways, and county judges/executive in respect to county highways, may prescribe, by notice as provided in subsection (2) of this section, load and speed limits lower than the limits prescribed in KRS 189.221 and subsection (3) of KRS 189.390, respectively, whenever in its judgment any highway may, by reason of its design, deterioration, rain or other natural causes, be damaged or destroyed by motor trucks or semitrailer trucks, if their gross weight or speed exceeds certain limits*; provided, however, that the bureau shall have exclusive authority to control said limits on the portions of county roads over which permits have been issued to operate overweight motor vehicles under Section 2 of this Act*. The bureau or county judges/executive may, by like notice, regulate or prohibit the operation of motor trucks or semitrailer trucks on state highways or county roads for limited periods of specified days, or parts of days, if their load and speed exceed those limits, whenever, in its or their judgment, such regulations or prohibition is necessary, by reason of traffic density or intensive use by the traveling public, to provide for the public safety and convenience on the highway*; provided, however, that the bureau shall have exclusive authority to regulate or prohibit such operation on portions of county roads over which permits have been issued to operate overweight motor vehicles under Section 2 of this Act*.

(2) The notice or the substance of it shall be posted at conspicuous places at the termini of and at all intermediate crossroads and road junctions with the section of the highway to which the notice applies. After such a notice has been posted, no person shall operate any motor truck or semitrailer truck contrary to its provisions.

Section 6. KRS 177.960 is amended to read as follows:

(1) There is hereby created an energy road fund, hereinafter referred to as the "fund," in the state treasury to be administered by the department of transportation. The fund may receive state appropriations, gifts, grants and federal funds.

(2) Money in the fund shall be used for the construction of public roads or for any other activities administered by the department of transportation including the construction or reconstruction, repair and maintenance of any public highway, road, street or bridge only in "coal producing counties" as defined in subsection (3) of this section.

(3) As used in this section, "coal producing county" shall mean a county in which coal was severed within the meaning of Chapter 142 of the Kentucky Revised Statutes and upon which severance the tax applicable thereto was reported and remitted prior to January 1, 1976.

(4) By August 15 *of each* [, 1976 for fiscal] year [1976-77, and by August 15, 1977 for fiscal year 1977-78], the secretary of the department of finance shall notify the secretary of the department of transportation and the fiscal court of each coal producing county of the total amount in the fund available for expenditure within each such county, which shall be calculated for each fiscal year of the biennium by multiplying the *balance of the* [total] amount appropriated to or otherwise received by *and remaining in* the fund *after the transfer from the fund to the special energy road fund pursuant to subsection (9) of this section* by a fraction the numerator of which shall be the total tons of coal severed in each coal producing county and the denominator of which shall be the total tons of coal severed in all coal producing counties during the fiscal year next preceding that for which allocations of the fund are made. *Except as provided in subsection (9) of this section, twenty (20)* [sixty (60)] percent of the funds available to each county shall be restricted for use on the state primary road system. *Except as provided in subsection (9) of this section, eighty (80)* [Forty (40)] percent shall be restricted for use on the county road system on projects selected by the fiscal court.

(5) The provisions of any other law notwithstanding, the governor shall include in the biennial budget report and in the draft appropriation act or acts submitted to each regular session of the general assembly pursuant to KRS 45.030 and 45.040, for the biennium period beginning July 1, 1980, and for each biennium thereafter, recommendations for appropriations from the general fund to be made by the general assembly to the energy road fund and the coal impact road fund established by KRS Chapter 177.

(6) The amount to be recommended for the appropriation to the energy road fund, in addition to the amount provided for in subsection *(8)*[(9)] of this section, shall be nine and six-tenths percent (9.6%) of the severance tax estimate for each fiscal year of the biennium.

(7) [Any balance remaining in the fund at the close of the fiscal year 1976-77 shall not lapse, but shall continue into fiscal year 1977-78.

(8)] Within thirty (30) days thereafter the bureau of highways shall consult with the fiscal courts of each coal producing county for the purpose of receiving recommendations from said fiscal courts for the selection of public roads, highways, streets and bridges for construction, reconstruction, repair and maintenance as provided in KRS 177.330, 177.340 and 177.350, provided, however, that nothing herein shall be construed to limit expenditures from the fund upon secondary and rural roads.

(8)[(9)] In addition to all other appropriations provided by law in subsections (1) through (6) of this section, there is appropriated to the fund for expenditure in accordance with this section in fiscal year 1979-80, seventy-five percent (75%) of the total coal severance tax received during the fiscal year 1978-79 in excess of one hundred sixty-five million, seven hundred seventy-five thousand, six hundred forty-four dollars ($165,775,644) and for expenditure in accordance with this section in fiscal year 1980-81, seventy-five percent (75%) of the total severance tax received during the fiscal year 1979-80 in excess of one hundred ninety-two million, two hundred seventy-seven thousand, eight hundred ninety-four dollars ($192,277,894) and thereafter during each succeeding fiscal year there is appropriated to the fund in addition to funds appropriated through subsections (1) through (6) of this section, monies amounting to one-twenty fourth (1/24) of the total severance taxes received during the immediately preceding fiscal year. Any unexpended balance remaining in the fund at the close of each fiscal year shall not lapse, but shall continue to the next fiscal year for expenditure in accordance with this section.

(9) At the beginning of fiscal year 1980-81 and the beginning of each fiscal year thereafter, the secretary of the department of transportation shall determine the funding requirement of the special energy road fund for the fiscal year in order to provide the funds necessary to credit each account maintained pursuant to subsection (2) of Section 4 of this Act with an amount equal to two (2) times the amount credited to each account pursuant to subsection (3) of Section 4 of this Act and such amount shall be transferred to the special energy road fund from the energy road fund.

(10) Thirty-three and one-third percent (33-⅓%) of the *balance remaining in the energy road fund at the close of fiscal year 1980-81 and the balance remaining at the close of each fiscal year thereafter after the transfer of funds to the special energy road fund as provided for in subsection (9) of this section* [amounts appropriated in subsection (9) of this section shall] be expended in coal producing counties through which coal is regularly transported over public highways, roads or streets designated as a part of the state coal haul road system by the department of transportation. On or before August 15, 1979 and each year thereafter, the department of transportation shall publish a directory, including supporting maps and other documents, designated the official coal haul road system in coal producing counties which shall include all public highways, roads and streets over which quantities of coal sufficient to significantly affect the condition and state of repair of such highways, roads and streets, have been transported in the immediately preceding fiscal year. The department shall further publish the total mileage of the official state coal haul road system within each coal producing county. The amount appropriated to each county shall be determined by multiplying thirty-three and one-third percent (33-⅓%) of the *balance remaining in the energy road fund* [amount received by the fund] pursuant to subsection (9) of this section by a fraction the numerator of which shall be the total miles of official coal roads in each coal producing county and the denominator of which shall be the total miles of official coal roads in all coal producing counties. The remaining sixty-six and two-thirds percent (66-⅔%) of the *balance remaining in the energy road fund at the close of fiscal year 1980-81 and the balance remaining at the close of each fiscal thereafter after the transfer of funds to the special energy road fund as provided for* [amounts appropriated] in subsection (9) of this section shall be expended in coal producing counties on the basis of the total value of coal severed and/or processed in each county. Such amount shall be determined by multiplying sixty-six and two-thirds percent (66-⅔%) of the *balance remaining in the energy road fund* [amount received by the fund] pursuant to subsection (9) of this section by a fraction the numerator of which shall be the total gross value of coal severed and/or processed in each coal producing county and the denominator of which shall be the total gross value of coal severed and/or processed in all coal producing counties during the fiscal year next preceding that for which allocations of the fund are made.

(11) Every person shipping or transporting coal, and every carrier for hire or common carrier hauling coal over the public highways, roads and streets shall file with the department of transportation such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying those highways, roads and streets comprising the coal haul road system and the quantities of coal transported thereon*; provided, however, that a permittee issued a permit pursuant to Section 2 of this Act who complies with the provision of Section 3 of this Act shall not be required to comply with the provisions of this subsection.*

(12) Any person who fails to file the information and reports as required pursuant to subsection (11) of this section or fails to comply with any duly adopted regulation pursuant to said subsection or any person who files false information and reports pursuant to said subsection or regulation shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

SECTION 7. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

A person is guilty of a class A misdemeanor who operates or causes to be operated any motor vehicle in violation of the terms and conditions of any permit issued by the department pursuant to Section 2 of this Act for which another penalty is not specifically provided.

HB 860, AN ACT relating to motor vehicle registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.045 is amended to read as follows:

(1) Financing statements relating to vehicles required to be registered in Kentucky by the county clerk shall be filed in the office of the county clerk of the county in which the debtor resides or, if the debtor is a nonresident, in the office of the county clerk in which the vehicle is principally operated.

(2) (a) Whenever a financing statement required by KRS chapter 355 relating to any vehicle registered or required to be registered in Kentucky for use on the highway is presented to a county clerk for filing, such clerk shall also immediately note information required by the department relative thereto on the owner's copy of the certificate of registration and ownership or transfer receipt issued for the current registration period as noted in subsection (2) of KRS 186.170, which the secured party must obtain and present to the county clerk, along with the financing statement, within fifteen (15) days after execution of the security agreement. The clerk shall also note such information on the clerk's copy of the certificate of registration and ownership or transfer receipt maintained in his office in numerical order. *The clerk shall not be civilly liable for a failure to note such information on either the owner's or clerk's copy of the certificate of registration and ownership or transfer receipt. The secured party shall assume responsibility for a complete and exhaustive search for a lien.* The clerk noting the information on the owner's copy of the certificate of registration and ownership or transfer receipt shall return such receipt to the owner within five days after making such notation. For filing the financing statement, the clerk shall collect a fee pursuant to KRS 64.012 from the secured party and, in addition, for noting the security interest on the required receipts, the clerk shall collect from the secured party a fee pursuant to KRS 64.012 for each additional motor vehicle included on the financing statement.

(b) Whenever a financing statement affecting a vehicle is presented to a county clerk for filing in any county other than the one in which the current receipt was issued, the county clerk shall, in addition to the other requirements of this section, mail a notice of the security interest on a form furnished by the department to the clerk of the county in which the current receipt was issued. Upon receipt of said notice, the county clerk shall attach it to the copy of the current receipt on file, maintained in numerical order, in the county clerk's office and note the security interest on the clerk's copy of the receipt.

(3) For failure to present both the current receipt and financing statement within the time prescribed by subsection (2)(a), the secured party shall not be allowed thereafter to file the financing statement in order to perfect the security interest thereon.

(4) Whenever a perfected security interest is assigned, the assignor shall immediately give a statement of assignment to the assignee and at the same time deliver another copy of such statement to the debtor. The assignee shall, within thirty (30) days thereafter, present a copy of the statement of assignment to the county clerk in whose office the financing statement is on file. Upon receipt of the assignment, the county clerk shall mark the same as provided in subsection (2) of KRS 355.9-405 and attach it to the original financing statement. For this service the county clerk shall collect a fee pursuant to KRS 64.012.

(5) Whenever a security interest has been discharged, other than by proceedings under KRS 355.9-501 through 355.9-507 or similar proceedings, the secured party shall, within fifteen (15) days thereafter, deliver a termination statement in the manner required by KRS 355.9-404 to the county clerk of the county in which the financing statement is filed. For failure to file the termination statement within the allowable time, the secured party shall be subject to the penalty provided in KRS 186.990(1). Within five (5) days after the receipt of such documents, the county clerk shall note the filing in the index and, in addition, note on the clerk's copy of the current receipt maintained in his office in numerical order, in language prescribed by the department that the termination statement has been filed. Upon presentation of the owner's copy of the receipt showing such security interest, the clerk shall also note on such receipt that the termination statement has been filed and place the seal of the county clerk thereon. The clerk shall return the owner's receipt to the owner. The county clerk shall remove the financing statement from his files, mark "terminated" thereon and send or deliver it to the secured party along with any continuation statement, statement of assignment or statement of release pertaining thereto. The county clerk shall then file the termination statement in the place from which the financing statement was removed. Termination statements must be retained in the clerk's files for a period of two (2) years subsequent to the date of filing such statement, at which time they may be destroyed. No fee shall be collected for these services by the clerk. Once a security interest has been noted on the owner's copy of a certificate of registration and ownership or transfer receipt, no subsequent certificate of registration and ownership or transfer receipt may be issued by any county clerk free of such notation unless the owner's copy of the current receipt is presented to the clerk and it has noted thereon by the proper county clerk that the termination statement therefor has been filed. If this requirement

is met, information relating to any security interest shown on the receipt as having been terminated may be omitted from the receipt to be issued by the clerk.

(6) Whenever any secured party repossesses a vehicle registered with a county clerk, for which a financing statement has been filed, and disposes of such vehicle pursuant to the provisions of KRS chapter 355, he must present, within fifteen (15) days after such disposition, an affidavit in form prescribed by the department and a termination statement or proof that such termination statement has been filed. The new owner shall pay all applicable fees for registering and transferring the vehicle to the county clerk. Upon receipt of such documents, the county clerk who issued the current receipt shall then omit from the certificate of registration and ownership or transfer receipt he issues any information relating to the security interest under which the vehicle was repossessed or any security interest subordinate thereto. However, any security interest, as shown by such clerk's copy of the current receipt, which is superior to the one under which the vehicle was repossessed, must be shown on the receipt issued by the clerk unless the prior secured party has terminated such security interest in such clerk's office or proof of termination is submitted in case such prior security interest was discharged in another clerk's office.

(7) Whenever any vehicle brought into this state is required to be registered with a county clerk and such vehicle is then subject to a security interest in another state as shown by the out of state documents presented to the clerk, the county clerk is prohibited from registering the vehicle unless the owner obtains from the secured party a financing statement and presents same to the clerk along with all fees due. Such a financing statement must conform to the requirements of subsection (3) of KRS 355.9-402. The clerk shall note the out of state security interest on the new registration receipt and on the clerk's copy thereof. This provision does not apply to vehicles required to be registered in Kentucky under forced registration provisions under KRS 186.145. The penalty provided in subsection (3) of this section shall not apply to this subsection.

(8) The fees provided for in this section are in addition to any state fee provided for by law.

(9) Any person violating any provision of this section or any person refusing to surrender a certificate of registration and ownership or transfer certificate upon request of any person entitled thereto, is subject to the penalties provided in subsection (1) of KRS 186.990.

(10) The county clerk is prohibited from filing any financing statement on any vehicle subject to the provisions of this section if a certificate of registration and ownership or transfer receipt therefor is presented to him which has all the spaces provided thereon for noting security interests fully exhausted. The owner must see to it that a termination statement is filed for each discharged security interest and then a duplicate receipt as provided for in KRS 186.180 must be obtained from the clerk by the owner of the vehicle.

(11) Security interests in vehicles sold to or owned by residents of other states must be perfected in the state of such nonresident and repossession of the vehicle must be taken pursuant to the laws of such state, unless the vehicle is principally operated in Kentucky and is properly registered herein under KRS 186.020 and the security interest is authorized to be filed with the county clerk under KRS 355.9-401. However, a security interest on any vehicle which is not used on the public highways and for that reason is not required to be registered for highway use may be filed with the county clerk as otherwise permitted under KRS chapter 355.

HCR 6, A CONCURRENT RESOLUTION establishing an oversight committee to develop a regional transportation plan for the Appalachian counties of Kentucky and making an appropriation therefor.

WHEREAS, the Appalachian plateau is geographically unlike the rest of the state; and

WHEREAS, the economy of the Appalachian region creates heavy burdens on the transportation systems of the area; and

WHEREAS, the feasibility of improving and expanding alternative modes of transportation in the Appalachian region have never been thoroughly examined; and

WHEREAS, a regional transportation plan does not exist that adequately addresses the problems and needs unique to the Appalachian counties; and

WHEREAS, the future energy needs of our state and nation may not be met without an adequate transportation system in the Appalachian region;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That an oversight committee shall be established to direct a regional transportation plan for the Appalachian counties of Kentucky. The oversight committee shall consist of seven (7) members. The co-chairmen of the Interim Joint Appropriations and Revenue Committee shall appoint one (1) senator and one (1) representative from their committee; the co-chairman of the Interim Joint Highways and Traffic Safety Committee shall appoint one (1) senator and one (1) representative from their committee; and the chairman of the Appalachian Development Council shall appoint three (3) Appalachian Development Council members to serve. The chairmen and vice-chairmen of the oversight committee shall be selected by the Legislative Research Commission. Members of the oversight committee shall be reimbursed for the ordinary and necessary expenses incurred in the performance of their duties.

Section 2. That the oversight committee shall cause to be developed a regional transportation plan that shall meet the transportation needs in the forty-nine (49) Appalachian counties and in those adjacent counties affected by Appalachian products. This plan shall include, but not be limited to:

(1) An analysis of the present cargo movement of coal and heavy products;

(2) A projection of future cargo movement of coal and heavy products, taking into account potential increases in coal movement to meet the nation's energy needs;

(3) An analysis of all feasible modes of transportation in the Appalachian region in order to develop an integrated approach to the plan; and

(4) The projected costs for the implementation of the transportation plan.

Section 3. That the oversight committee shall monitor all stages of the plan's development and shall meet at least every three (3) months.

Section 4. That the plan shall be completed and submitted to the Legislative Research Commission for approval by July, 1981. On the basis of the plan, the Legislative Research Commission shall present its recommendations to the appropriate committees and to the Appalachian Development Council by October 1, 1981.

Section 5. That there is hereby appropriated to the oversight committee the sum of $300,000.

The Committee Amendment No. 1 to **HCR 6** is as follows:

Amend printed copy of **HR 6,** page 1, line 2, by deleting the word "direct" and substituting in lieu thereof the words "authorize and direct the Kentucky Department of Transportation to develop";

And on page 2, line 6, by deleting the words, "Interim Joint Highways and Traffic Safety Committee" and substituting in lieu thereof "interim joint committee with responsibility for transportation";

And on page 2, lines 16 through 17, by deleting the words "cause to be developed" and substituting in lieu thereof the words, "direct the Kentucky Department of Transportation to develop";

And on page 3, lines 16 through 17, by deleting said lines.

The Committee Title Amendment to **HCR 6** is as follows:

Amend printed copy of **HR 6,** page 1, title, by deleting the title and substituting therefor the following: "A CONCURRENT RESOLUTION establishing an oversight committee to authorize and direct the Kentucky Department of Transportation to develop a regional transportation plan for the Appalachian counties of Kentucky."

HCR 105, A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the shared responsibility of the Railroad Commission and Department of Transportation regarding rail safety and planning programs.

WHEREAS, the Kentucky Railroad Commission is statutorily empowered to ensure the safe operation of trains and to plan the future development of railways as provided in KRS 276.550; and

WHEREAS, in the recent past the Railroad Commission has not been able to fulfill its statutory function with regard to safety and planning due to budget limitations; and

WHEREAS, as a result the administration of both safety and planning programs was transferred in 1978 from the Railroad Commission to the Kentucky Department of Transportation by Executive Order of the Governor; and

WHEREAS, the transfer of these functions has never been ratified by the General Assembly as provided in KRS 12.025(a) nor have the statutes empowering the Railroad Commission with these responsibilities been repealed; and

WHEREAS, the present situation, where the responsibility for the rail safety and planning programs resides with one agency which the funding for these programs resides in another prevents the effective management of these programs as evidenced by the soaring number of train derailments;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission is directed to study the shared responsibility of the Railroad Commission and Department of Transportation regarding rail safety and planning programs.

Section 2. That copies of the study be transmitted to the Director of the Legislative Research Commission, the President Pro Tempore of the Senate and the Speaker of the House of Representatives by October 1, 1981.

Section 3. Staff services to be utilized in completing this study are estimated to cost $7,000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

HCR 106, A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the rural and municipal road program with emphasis on the method by which the Bureau of Highways will set priorities among such roads.

WHEREAS, the Secretary of Transportation has abolished the Division of Rural and Municipal Roads and incorporated this function into the operations area of the Bureau of Highways; and

WHEREAS, in past years this division has been the agency where the county judges/executive, mayors, commissioners and citizens could bring local road problems to the attention of the Department of Transportation; and

WHEREAS, the Interim Joint Committee on Highways and Traffic Safety in September of 1979 heard testimony from county judges/executive to the effect that they were satisfied with the current local road program; and

WHEREAS, now these local officials are unsure where the priorities will be developed and local road problems discussed; and

WHEREAS, state department of transportation personnel, with the exception of the rural and municipal road employes, are more concerned with state highways than local roads;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission shall be directed to study the establishing of priorities of local road maintenance projects, funds available for such projects and the ability of the local government to take over the maintenance of local roads.

Section 2. That copies of the completed study be transmitted to the Director of the Legislative Research Commission, the President Pro Tempore of the Senate and the Speaker of the House of Representatives by October 1, 1981.

Section 3. Staff services to be utilized in completing this study are estimated to cost $7,000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

HCR 107, A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the reorganization of the Bureau of Vehicle Regulation.

WHEREAS, the Secretary of the Department of Transportation has reorganized the Bureau of Vehicle Regulation through the transfer of various divisions and by the abolishment of others; and

WHEREAS, the Bureau of Vehicle Regulation has been vital to the Department of Transportation for administrative purposes relating to the collection of revenues and promotes highway maintenance through the permitting of overdimensional vehicles; and

WHEREAS, enforcement of weight provisions have been transferred into another agency of state government, hearings on motor carriers have been incorporated into the office of the secretary, and information relating to the activities of the remaining divisions has become virtually non-existent; and

WHEREAS, the efficiency of the Bureau in providing services and processing information since the reorganization appears to be significantly diminished;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission shall be directed to study the reorganization of the Bureau of Vehicle Regulation and such a study will emphasize the impact of the reorganization on the motor transportation industry, effect of revenues generated by said bureau for the road fund and examine the efficiency of the bureau since the reorganization.

Section 2. That copies of the completed study be transmitted to the Director of the Legislative Research Commission, President Pro Tempore of the Senate and the Speaker of the House of Representatives by October 1, 1981.

Section 3. Staff services to be utilized in completing this study are estimated to cost $7,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other research responsibilities of the commission.

The Committee on Judiciary reported **HB 17, HB 521, HB 779** with Committee Amendment attached thereto, **HB 823, HB 849, HB 892** with Committee Amendment attached thereto, and **HB 959** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 17, AN ACT relating to retirement benefits for trial commissioners.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.520 is amended to read as follows:

(1) Each department shall participate in the system when the governor by appropriate executive order, the authority to issue such executive order being granted, directs such department to participate in the system. The effective date of such participation shall be fixed by the governor in his executive order.

(2) (a) Notwithstanding the provisions of subsection (1) of this section the governor is authorized to permit any state college or university, which he directs by appropriate executive order to participate in the system after January 1, 1972 to include its noninstructional employes in the membership of the system while excluding the instructional employes of the state college or university from membership.

(b) All employes of an agency participating under authority of subsection (2)(a) of this section shall be considered noninstructional employes except the members of the instructional staff of the state college or university who are responsible for teaching and the administrative positions which are included in the Teachers' Insurance and Annuity Association (TIAA) or the Kentucky teachers' retirement system.

(3) All executive orders issued under authority of this section since July 1, 1956 are hereby ratified by the general assembly and each participating and contributing department, board, agency, corporation, mental health-mental retardation board, or entity participating since that date under such executive order is hereby declared to be a participating department under the Kentucky employes retirement system.

(4) Once a department participates it shall thereafter continue to participate.

(5) (a) Notwithstanding the provisions of subsection (1) of this section, trial commissioners, as defined in Section 113 of the Constitution, shall be a participating department in the system.

(b) Trial commissioners may, as an option, choose January 1, 1978 as the effective date of their participation in the system. Those electing this option shall do so by January 1, 1981. Both benefits and employer and employe contributions, with interest as determined by the board, shall be calculated from January 1, 1978.

HB 521, AN ACT relating to discrimination against employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 344 IS CREATED TO READ AS FOLLOWS:

(1) An employer, public or private, may not discharge an employe for the sole reason that he marries or plans to marry a co-employe, unless there are justifiable grounds for said discharge other than the existence of the marriage or plans for marriage to one another.

(2) If an employer discharges an employe in violation of subsection (1) of this section, the employe may obtain injunctive relief.

HB 779, AN ACT relating to the protection of adults.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

The General Assembly of the Commonwealth of Kentucky recognizes that some adults of the Commonwealth are unable to manage their own affairs or to protect themselves from abuse, neglect, or expolitation. Often such persons cannot find others able or willing to render assistance. The General Assembly intends, through this Act, to establish a system of protective services designed to fill this need and to assure their availability to all adults. It is also the intent of the General Assembly to authorize only the least possible restriction on the exercise of personal and civil rights consistent with the person's needs for services, and to require that due process be followed in imposing such restrictions.

Section 2. KRS 209.020 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Secretary" means the secretary of the department for human resources.

(2) "Department" means the department for human resources.

(3) "Bureau" means the bureau for social services of the department for human resources.

(4) "Adult" means a person eighteen (18) years of age or older or a married person *without regard to* [under the age of eighteen (18) years of] age, who because of mental or physical dysfunctioning, or *who* [because he] is the victim of abuse or neglect inflicted by *a* [his] spouse, is unable to manage his own resources, carry out the activities of daily living, or protect himself from neglect, hazardous or abusive situations without assistance from others and who has no available, willing, and responsibly able person to assist him and may be in need of protective services.

(5) "Protective services" means agency services undertaken with or on behalf of an adult in need of protective services who is being abused, neglected, or exploited. These services may include, but are not limited to conducting investigations of complaints of possible abuse, neglect, or exploitation to ascertain whether or not the situation and condition of the adult in need of protective services warrants further action; social services aimed at preventing and remedying abuse, neglect, and exploitation; and services directed toward seeking legal determination of whether or not the adult in need of protective services has been abused, neglected or exploited and to ensure that he obtains suitable care in or out of his home.

(6) "Caretaker" means an individual or institution who has the responsibility for the care of the adult as a result of family relationship, or who has assumed the responsibility for the care of the adult person voluntarily, or by contract, or agreement.

(7) "Abuse or neglect" means the infliction of physical pain, injury, or mental *injury* [anguish], or the deprivation of services by a caretaker which are necessary to maintain the health and welfare of an adult, or a situation in which an adult, living alone, is unable to provide or obtain for himself the services which are necessary to maintain his health or welfare or a situation in which a person inflicts physical pain or injury upon a spouse or deprives a spouse of reasonable services necessary to maintain the health and welfare of his spouse.

(8) "Exploitation" means the improper use of funds by a caretaker which have been paid by a governmental agency to an adult or to the caretaker for the use or care of the adult.

(9) "Investigation" shall include, but is not limited to, a personal interview with the individual reported to be abused, neglected, or exploited. When abuse, or neglect is allegedly cause of death, a coroner's or doctor's report shall be examined as part of the investigation.

(10) "Emergency" means that an adult is living in conditions which present a substantial risk of death or immediate and serious physical harm to himself or others.

(11) "Emergency protective services" are protective services furnished an adult in an emergency.

(12) "Protective placement" means the transfer of an adult from his present living arrangement to another.

(13) "Court" means the circuit court or the district court if the circuit court is not in session.

Section 3. KRS 209.030 is amended to read as follows:

(1) The secretary may, within his discretion, adopt such rules, regulations, procedures, guidelines, or any other expressions of policy necessary to effect the purpose of this chapter insofar as such action is reasonably calculated to serve the public interest.

[(a)] The secretary may take necessary action and may offer or cause to be offered protective services toward safeguarding the welfare of an adult who has experienced abuse or neglect, inflicted or caused by a spouse.

[(b) The provisions of paragraph (a) of this subsection shall not apply unless the adult agrees, in writing, to prosecute the spouse.]

(2) Any person, including, but not limited to, physician, *law enforcement officer,* nurse, social worker, department personnel, coroner, medical examiner, alternate care facility employe, or caretaker, having

reasonable cause to suspect that an adult has suffered abuse, neglect, or exploitation, shall report or cause reports to be made in accordance with the provisions of this chapter. Death of the adult does not relieve one of the responsibility for reporting the circumstances surrounding the death.

(3) An oral or written report shall be made immediately to the department upon knowledge of the occurrence of suspected abuse, neglect, or exploitation of an adult. Any person making such a report shall provide the following information, if known: The name and address of the adult, or of any other person responsible for his care; the age of the adult; the nature and extent of the abuse, neglect, or exploitation, including any evidence of previous abuse, neglect, or exploitation; the identity of the perpetrator, if known; the identity of the complainant, if possible; and any other information that the person believes might be helpful in establishing the cause of abuse, neglect, or exploitation.

(4) Upon receipt of the report, the department shall take the following action as soon as practical:

(a) Notify the appropriate law enforcement agency;

(b) Initiate an investigation of the complaint; and

(c) Make a written report of the initial findings together with a recommendation for further action, if indicated.

(5) Any representative of the department may enter any health facility or health service licensed by the department at any reasonable time to carry out *the department's* [its] responsibilities under this chapter. *Any representative of the department actively involved in the conduct of an abuse, neglect, or exploitation investigation under this Act shall also be allowed access to the mental and physical health records of the adult which are in the possession of any individual, hospital, or other facility if necessary to complete the investigation mandated by this chapter.*

(6) Any representative of the department may with consent of the adult or caretaker enter any private premises where any adult alleged to be abused, neglected, or exploited is found in order to investigate the need for protective services for the purpose of carrying out the provisions of this chapter. If the adult or caretaker does not consent to the investigation, a search warrant may issue upon a showing of probable cause that an adult is being abused, neglected, or exploited, to enable a representative of the department to proceed with the investigation.

(7) If a determination has been made that protective services are necessary when indicated by the investigation, the department shall provide such services within budgetary limitations, except in such cases where an adult chooses to refuse such services.

(8) In the event the adult elects to accept the protective services to be provided by the department, the caretaker shall not interfere with the department when rendering such services.

Section 4. KRS 209.040 is amended to read as follows:

Any [circuit] court may upon proper application by the department issue a [temporary] restraining order or other injunctive relief to prohibit any violation of this chapter, regardless of the existence of any other remedy at law.

SECTION 5. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) If an adult lacks the capacity to consent to receive protective services in an emergency, these services may be ordered by a court on an emergency basis through an order pursuant to Section 6 of this Act, provided that:

(a) The adult is in a state of abuse or neglect and an emergency exists;

(b) The adult is in need of protective services;

(c) The adult lacks the capacity to consent or refuse to consent to such services; and

(d) No person authorized by law or court order to give consent for the adult is available to consent to emergency protective services or such person refuses to give consent.

(2) In ordering emergency protective services, the court shall authorize only that intervention which it finds to be the least restrictive of the individual's liberty and rights while consistent with his welfare and safety.

SECTION 6. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) A petition by the department for emergency protective services shall be verified by an authorized representative of the department and shall set forth the name, age, and address of the adult in need of protective services; the nature of the disability of the adult, if determinable; the proposed protective services; the petitioner's reasonable belief, together with the facts supportive thereof, as to the existence of the facts, and the facts showing the petitioner's attempts to obtain the adult's consent to the services and the outcomes of such attempts. The petition and all subsequent court documents shall be entitled: "In the interest of________________an adult in need of protective services." The petition shall be filed in the court of the adult's residence, or if filed pursuant to Section 7 of this Act, the court of the county in which the adult is physically located.

(2) When a petition for emergency protective services is filed, the court or the clerk shall immediately appoint a guardian ad litem to represent the interest of the adult. The duties of a guardian ad litem representing an adult for whom a petition for emergency protective services has been filed shall include personally interviewing the adult, counseling with the adult with respect to this Act, his rights and providing competent representation at all proceedings, and such other duties the court may order.

(3) Following the filing of a petition, a summons shall be issued and served with a copy of the petition, and notice of the time, date and location of the hearing to be held on the petition. Service shall be made upon the adult and his committee or, if none, his caretaker. Should the adult have no committee or caretaker, service shall be made upon the adult's guardian ad litem. Notice of the hearing shall be given to the adult's spouse, or, if none, to his adult children or next of kin, unless the court is satisfied that notification would be impractical. Service of the petition shall be made at least three (3) calendar days prior the hearing for emergency protective services.

(4) The hearing on the petition for an emergency order for protective services shall be heard under the following conditions:

(a) The hearing on the petition, in the interests of expedition, may be held in any county within the judicial district served by the court. The court shall give priority to the holdings of the hearings pursuant to petitions filed under this chapter;

(b) The adult or his representative may present evidence and cross-examine witnesses; and

(c) The adult or his representative may petition the court to have any order which is entered to this Act, set aside or modified for good cause.

(5) Where protective services are rendered on the basis of an order pursuant to this section, the department shall submit a report to the court describing the circumstances including the name, place, date, nature of the services. Such report shall be made at least once or on a monthly basis if protective services are provided the adult for a period of longer than one (1) month.

(6) The fee of the guardian ad litem shall be paid by the department not to exceed three hundred dollars ($300). This fee is not to be paid to attorneys employed by government funded legal services programs.

SECTION 7. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) Upon petition by the department a court may issue an order authorizing the provision of emergency protective services to an adult after a hearing and upon a finding based on a preponderance of the evidence that:

(a) The adult is in a state of abuse or neglect and is living in conditions which present a substantial risk of death or immediate and serious physical harm to himself or others;

(b) The adult is in need of protective services;

(c) The adult lacks the capacity to consent to such services; and

(d) No person authorized by law or court order to give consent for the adult is available to consent to protective services or such person refuses to give consent.

(2) In issuing emergency order the court shall adhere to the following limitations:

(a) Only such protective services, including medical and surgical care and protective placement, as are necessary to remove the conditions creating the emergency shall be covered, and the court shall specifically designate the approved services in its order. Such designation of approved services shall be deemed to be the consent of the court authorizing the provision of such services.

(b) Protective services authorized by the court shall not include hospitalization or protective placement unless the court specifically finds such action is necessary and gives specific approval for such action in its order.

(c) The issuance of an emergency order shall not deprive the adult of any rights except to the extent validly provided for in the order.

(d) To implement an order, the court may authorize forcible entry of the premises of the adult for the purpose of rendering protective services or transporting the adult to another location for the provision of such services. Authorized forcible entry shall be accomplished by a peace officer accompanied by a representative of the department.

(3) If the court finds, pursuant to a hearing, that the adult is in need of protective services, and should that adult have a committee who has been derelict in providing for the welfare of the adult, the court shall have the discretion to remove the committee and appoint another committee, if an individual is available, willing, and able to function as committee, such removal and appointment shall be in compliance with the provisions of KRS Chapter 387. It is not necessary for the court to find a committee has been derelict as a requirement for the issuance of an order for protective services.

(4) If the court finds that protective services are no longer needed by the adult, the court shall order the emergency protective services to terminate.

SECTION 8. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) When from an affidavit or sworn testimony of an authorized representative of the department, it appears probable that an adult will suffer immediate and irreparable physical injury or death if protective services are not immediately provided, and it appears that the adult is incapable of giving consent, the court may assume jurisdiction and issue an ex parte order providing that certain specific protective services be provided the adult. The court shall not authorize such protective services except those specifically designed to remove the adult from conditions of immediate and irreparable physical injury or death. A copy of the order shall be served upon the adult and his committee, or if none, his caretaker.

(2) To implement an ex parte order, the court may authorize forcible entry of the premises of the adult for the purpose of rendering protective services or transporting the adult to another location for the provision of such services. Authorized forcible entry shall be accomplished by a peace officer accompanied by a representative of the department.

(3) Upon the issuance of an ex parte order, the department must file a petition as soon as possible. A hearing must be held within seventy-two (72) hours, exclusive of Saturdays and Sundays, from the issuance of an ex parte order.

Section 9. KRS 209.050 is amended to read as follows:

Anyone acting upon reasonable cause in the making of any report or investigation *or participating in the filing of a petition to obtain injunctive relief or emergency protective services for an adult* pursuant to this chapter, including representatives of the department in the reasonable performance of their duties in good faith, and within the scope of their authority, shall have immunity from any civil or criminal liability that might otherwise be incurred or imposed. Any such participant shall have the same immunity with respect to participation in any judicial proceeding resulting from such report or investigation *and such immunity shall apply to those who render protective services in good faith pursuant either to the consent of the adult or to court order.*

Section 10. KRS 209.060 is amended to read as follows:

Neither the [psychiatrist-patient privilege nor the] husband-wife privilege *nor any professional-client privilege except the attorney-client privilege* shall be a ground for excluding evidence regarding the abuse, neglect, or exploitation of an adult or the cause thereof in any judicial proceeding resulting from a report pursuant to this chapter.

SECTION 11. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

All information obtained by the bureau staff or its delegated representative, as a result of an investigation made pursuant to this chapter, shall not be divulged to anyone except: (a) persons suspected of abuse or neglect or exploitation, provided that in such cases names of informants may be withheld, unless ordered by the court; (b) persons within the bureau or department with a legitimate interest or responsibility related to the case; (c) other medical, psychological, or social service agencies, or law enforcement agencies that have a legitimate interest in the case; (d) cases where a court orders release of such information; and (e) the alleged abused or neglected or exploited person.

Section 12. KRS 209.990 is amended to read as follows:

(1) Anyone knowingly and willfully violating the provisions of *KRS 209.030(2)* [this chapter] shall be punished by a fine of not less than twenty-five dollars ($25) nor more than two hundred dollars ($200). Each violation shall constitute a separate offense.

(2) Any caretaker who knowingly and willfully abuses, neglects, or exploits an adult within the meaning of this chapter, and in so doing causes serious physical or mental injury or permanent disability to such an adult, is guilty of a Class C felony, or if such abuse, neglect, or exploitation causes minor physical or mental injury or temporary disability to the adult, the caretaker is guilty of a Class A misdemeanor.

(3) Any representative of the department acting officially in that capacity, any person with personal knowledge of the abuse or neglect, or exploitation of an adult by a caretaker, or an adult who has been abused or neglected or exploited shall have standing to make a criminal complaint.

Section 13. KRS 209.070, Prohibitions, is repealed.

The Committee Amendment No. 1 to **HB 779** is as follows:

Amend printed copy of **HB 779,** page 14, by deleting lines 23 through 26 in their entirety;

And on page 15, by deleting lines 1 through 5 in their entirety;

And on page 15, lines 6, by changing "SECTION 11" to "SECTION 10";

And on page 21, by changing "Section 12" to "Section 11";

And on page 16, line 16, by changing "Section 13" to "Section 12"

HB 823, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 511.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Building", in addition to its ordinary meaning, means any structure, vehicle, watercraft or aircraft:

(a) Where any person lives; or

(b) Where people assemble for purposes of business, government, education, religion, entertainment or public transportation. Each unit of a building consisting of two or more units separately secured or occupied is a separate building.

(2) "Dwelling" means a building which is usually occupied by a person lodging therein.

(3) ["Night" means a period between thirty minutes after sunset and thirty minutes before sunrise.

(4)] "Premises" includes the term "building" as defined herein and any real property.

Section 2. KRS 511.020 is amended to read as follows:

(1) A person is guilty of burglary in the first degree when, with the intent to commit a crime, he knowingly enters or remains unlawfully[:

(a) In a dwelling;

(b)] in a building, and when in effecting entry or while in the building or in the immediate flight therefrom, he or another participant in the crime:

(a)[1.] Is armed with explosives or a deadly weapon; or

(b)[2.] Causes physical injury to any person who is not a participant in the crime; or

(c)[3.] Uses or threatens the use of a dangerous instrument against any person who is not a participant in the crime.

(2) Burglary in the first degree is a Class B felony.

Section 3. KRS 511.030 is amended to read as follows:

(1) A person is guilty of burglary in the second degree when, with the intent to commit a crime, he knowingly enters or remains unlawfully in *a dwelling* [an inhabited building].

(2) Burglary in the second degree is a Class C felony.

Section 4. KRS 511.040 is amended to read as follows:

(1) A person is guilty of burglary in the third degree when, with the intent to commit a crime, he knowingly enters or remains unlawfully in *a* [an uninhabited] building.

(2) Burglary in the third degree is a Class D felony.

HB 849, AN ACT relating to the University of Kentucky Medical Center.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 164.939 to 164.944 IS CREATED TO READ AS FOLLOWS:

(1) The sovereign immunity of the University of Kentucky Medical Center, its employes and agents is hereby waived to the extent of deposits in the basic coverage compensation fund and the excess coverage fund, in regard to any action alleging personal injury or death to patients resulting from any tort or breach of duty based on health care services rendered by the university, any of its agents or employes.

(2) Any such action shall be commenced by filing of a petition in the Fayette circuit court. The Kentucky rules of civil procedure shall apply in all such actions.

HB 892, AN ACT relating to precious metals dealers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 226 IS CREATED TO READ AS FOLLOWS:

(1) As used in this Act, "dealer" means any person licensed in any city or county of this state to conduct any business, including but not limited to antique dealers, coin dealers and pawnbrokers, which

involves the buying and selling of gold, silver or platinum or any property containing gold silver or platinum , whether such buying and selling is the sole reason for or incidental to the business licensed.

(2) A dealer shall keep a record of transactions conducted by him involving the purchase of property made from precious metals. Such record shall include:

(a) The name and address of the seller, the date of the transaction and an accurate description of the property purchased; and

(b) A statement signed by the seller attesting that the seller is the legal owner of the property; and

(c) The right thumb print of the seller.

(3) A dealer shall be responsible for verifying the identification of the seller and may require the seller to produce two (2) valid forms of identification.

(4) All records maintained by a dealer in accordance with this section shall be open to inspection at reasonable times by any law enforcement officer or any other public official in the discharge of his official duty.

Section 2. KRS 226.990 is amended to read as follows:

(1) Any pawnbroker who violates any of the provisions of KRS 226.020 to 226.050 shall be fined not less than fifty dollars nor more than five hundred dollars, and his license may be forfeited to the use of the city or county in which the prosecution takes place.

(2) Any pawnbroker or pawnbroker's clerk who violates any of the provisions of KRS 226.060 shall be fined not less than fifty dollars nor more than five hundred dollars.

(3) Any pawnbroker who violates any of the provisions of KRS 226.070 shall be fined not less than twenty dollars nor more than one hundred dollars.

(4) Any pawnbroker who violates any of the provisions of KRS 226.080 or 226.090 shall be subject to the penalties provided in subsection (1) of this section.

(5) Any dealer who violates any provision of this Act shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500) for each offense, and the city or county in which the dealer is licensed to do business may regard any violation of this Act as grounds for the suspension or revocation of the license.

The Committee Amendment No. 1 to **HB 892** is as follows:

Amend printed copy of **HB 892,** page 1, line 18, by deleting "*; and*" and inserting in lieu thereof ".";

And on page 1, by deleting line 19 in its entirety.

HB 959, AN ACT relating to statutory liens.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 376.280 is amended to read as follows:

(1) Any person engaged in the business of selling, repairing, furnishing accessories or supplies, storing, or towing boats, or moorage shall have a lien on the boat for the reasonable or agreed charges for such sale or services, so long as the boat remains in his possession.

(2) If the charges remain outstanding for more than thirty (30) days, the lienholder in possession of the boat may sell the boat to satisfy such charges and any additional costs, including the costs of the sale, incurred due to the nonpayment. The sale shall be advertised pursuant to KRS Chapter 424, and at least ten (10) days prior to the sale, notice thereof shall be sent by registered mail to the owner of the boat and to any other persons known to have any interest therein, addressed to such persons at their last known addresses. The notice shall contain a statement that the owner of the boat and any other person having an interest therein has seven (7) days from date of receipt of the notice to notify the lienholder that he requests a hearing or in which to pay the claim in full, and that unless a hearing is requested or the claim paid, the boat will be sold. If a hearing is requested, the lienholder shall not sell the boat and shall file suit in a court of competent jurisdiction. If a hearing is not requested within the seven (7) day period, the right to a hearing is waived.

(3)[(1) Any boat or motor vehicle remaining in the possession of a person who has made repairs, performed labor or furnished accessories or supplies therefor and to whom the charges for such repairs, labor, accessories or supplies has been owing for a period of more than thirty days, may be sold to pay such deferred purchase money or charges. The proposed sale shall be advertised pursuant to KRS Chapter 424, and notice

thereof shall be sent by certified mail, return receipt requested or by registered mail to the owner of the boat or motor vehicle and to any other person known to have any interest therein, addressed to such persons at their last known addresses, at least ten (10) days before the sale is held.

(2)] The term "boat," as used in *subsections* [subsection] (1) *and (2)* of this section, means any watercraft not enumerated in subsection (1) of KRS 376.360 and sloops having an overall length of forty feet or less.

(4) The provisions of subsection (1) of this section shall be construed to confer a lien on a motor vehicle and subsection (2) of this section shall be construed to confer a right to sell such motor vehicle remaining in the possession of a person who has made repairs, performed labor or furnished accessories or supplies therefor, and to whom the charges for such repairs, labor, accessories or supplies have been owing for a period of more than thirty (30) days. In exercising his right of sale, such person must comply with the provisions of subsection (2) of this section.

Calendar

HB 931, HB 968, HB 970, HB 973, HB 624, SR 43, SB 205, HB 791, HB 881, HB 275, HB 574, HB 732, HB 858, HB 859, HB 877, HB 913, and **HR 88** taken from the CAlendar and ordered read at length for the second time. Representative B. Richardson moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **SB 23, SB 139, SB 151, SB 192, SB 270, SB 291, SB 295, SB 296, SB 298, SB 299, SB 305, SB 309, SB 327, SB 342, SB 349, SB 353, SB 381, SB 389, SJR 51, SJR 58, HJR 43, HB 408, HB 412,** and **HB 32** with Senate Amendment.

Orders of the Day

Representative Hines moved the adoption of the following Legislative Citation No. 63:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the University of Louisville Cardinal Basketball Team, Coach Denny Crum and staff, for the outstanding achievement of winning the NCAA Midwest Regional Championship. The remarkable accomplishments of winning thirty-one games this year (and hopefully thirty-three before the season ends) with such a youthful squad has astounded even your most ardent supporters. Certainly, you have more than upheld the tradition of Louisville Cardinal Teams which have compiled an enviable record over Coach Crum's tenure - a season average of twenty-two games won for nine years. To Coach Crum, staff and players, we extend our best wishes for success in the pursuit of your ultimate goal of winning the NCAA Championship. (Sponsored by Representative Hines)

Agreed.

HB 328, with Committee Substitute and Floor AMendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved the adoption of the Committee Substitute to **HB 328.** Agreed.

Representative Stumbo moved that **HB 328,** by way of Committee Substitute, be passed.

Representative Overstreet moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 328.** Agreed.

Representative Stumbo moved that **HB 328,** by way of Committee Substitute as amended, be passed.

Representative Cawood moved that **HB 328** be laid on the Clerk's desk.

On the roll call the vote was yeas 15-Bendl, Bennett, Blythe, Cawood, DeMarcus, Donnermeyer, Hancock, Holbrook, Isler, Moberly, Noe, Petty, Schmidt, Thomason, Wilborn. Nays 62-Adams, Allen, Arnold, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Deskins, Ellington, Farrow, Fryman, Gray, Haering, Heleringer, Holloway, Johnson, Layman, LeMaster, Little, Lundergan, Mann, May, McKinney, McNutt, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Turner, Van Horn, Weinberg, Worthington.

The motion that **HB 328** be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 83-Adams, Allen, Arnold, Barrows, Bendl, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Heleringer, Hines, Holloway, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Wright. Nays 7-Bennett, Cawood, Holbrook, Moberly, Noe, Schmidt, Thomason.

HB 328, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 328,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 189 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **HB 189** be passed.

On the roll call the vote was yeas 90-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright. Nays 0.

HB 189 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 189** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 681, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Crupper moved the adoption of the Committee Amendment No. 1 to **HB 681.** Agreed.

Representative Crupper moved that **HB 681,** as amended, be passed.

Representative Farrow moved the adoption of the Floor Amendment No. 1 to **HB 681.** Agreed.

Representative Crupper moved that **HB 681,** as amended, be passed.

On the roll call the vote was yeas 87-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington, Wright. Nays 1-Tobin.

HB 681, as amended, was passed and the title agreed to.

Representative Crupper moved that the vote by which **HB 681,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 6 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved that **SB 6** be passed.

On the roll call the vote was yeas 82-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, DeFalaise, DeMarcus, Deskins, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Noe, Overstreet, Pearman, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams, Worthington, Wright. Nays 0.

SB 6 was passed and the title agreed to.

Representative Pearman moved that the vote by which **SB 6** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 437 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bennett moved that **HB 437** be passed.

On the roll call the vote was yeas 73-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Head, Hines, Holloway, Isler, Johnson, Kenton, Kidd, Layman, Little, Lundergan, Mann, McBee, McKinney, McNutt, Morris, Nett, Noe, O'Brien, Patrick, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Romines, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Williams, Worthington, Wright. Nays 6-Hancock, Heleringer, Holbrook, Lewis, List, Wilborn.

HB 437 was passed and the title agreed to.

Representative Bennett moved that the vote by which **HB 437** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 839, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Schmidt moved the adoption of the Committee Substitute to **HB 839.** Agreed.

Representative Schmidt moved that **HB 839,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 52-Allen, Bennett, Blair, Blandford, Blythe, Boswell, Bruce, Burch, Burnette, Caldwell, Clapp, Craddock, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Dunn, Ellington, Freibert, Fryman, Guenthner, Haering, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kidd, Layman, Lewis, Morris, O'Brien, Overstreet, Patrick, Pearman, Plummer, Priddy, Rapier, Rattliff, Riner, Robinson, Sale, Schmidt, Thomason, Tobin, Turner, Wilborn, Williams. Nays 31-Adams, Arnold, Bendl, Brinkley, Bronger, Brown, Cyrus, Donnermeyer, Farrow, Gray, Hancock, Kenton, LeMaster, List, Little, Lundergan, Mann, May, McNutt, Moberly, Nett, Noe, Richards, B. Richardson, Smith, Stone, Stumbo, Thomas, Van Horn, Weinberg, Worthington.

HB 839, by way of Committee Substitute, was passed and the title agreed to.

Representative Schmidt moved that the vote by which **HB 839,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 135, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Freibert moved the adoption of the Committee AMendment No. 1 to **SB 135.** Agreed.

Representative Freibert moved that **SB 135,** as amended, be passed.

On the roll call the vote was yeas 67-Allen, Bendl, Bennett, Blair, Blandford, Blythe, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, DeFalaise, DeMarcus, Donnermeyer, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Head, Hines, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, List, Little, Mann, May, McBee, McKinney, McNutt, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Romines, Sale, Schmidt, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, Wilborn, Williams. Nays 19-Adams, Arnold, Barrows, Brown, Bruce, Burnette, Clarke, Dawahare, Deskins, Guenthner, Heleringer, Moberly, Morris, Noe, Patrick, Robinson, Smith, White, Worthington.

SB 135, as amended, was passed and the title agreed to.

Representative Freibert moved that the vote by which **SB 135,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 172, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved the adoption of the Committee Amendment No. 1 to **SB 172.** Agreed.

Representative Arnold moved that **SB 172,** as amended, be passed.

On the roll call the vote was yeas 69-Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Bronger, Bruce, Burch, Burnette, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Dunn, Ellington, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, List, Lundergan, May, McBee, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, Riner, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Weinberg, White, Wilborn, Worthington. Nays 9-Admas, Allen, Brown, DeMarcus, Fryman, McKinney, McNutt, P. Richardson, Turner.

SB 172, as amended, was passed and the title agreed to.

Representative Arnold moved that the vote by which **SB 172,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 14, with Committee Amendments and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **HB 14** be passed.

Representative Guenthner moved the adoption of the Floor Amendment No. 2 to **HB 14.**

On the roll call the vote was yeas 15-Clarke, DeFalaise, DeMarcus, Guenthner, Hancock, Holbrook, Holloway, McNutt, Moberly, Noe, Overstreet, Patrick, Plummer, Rattliff, Schmidt. Nays 70-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Haering, Head, Heleringer, Hines, Isler, Jones, Kenton, Kidd, Layman, List, Lundergan, Mann, May, McKinney, Morris, Nett, O'Brien, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn.

Floor Amendment No. 2 to **HB 14** was rejected.

Representative Tobin moved the adoption of the Committee Amendment No. 2 to **HB 14.**

On the roll call the vote was yeas 50-Adams, Barrows, Bendl, Bennett, Blair, Blythe, Bronger, Brown, Bruce, Burch, Cawood, Craddock, Crupper, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Gray, Guenthner, Hines, Isler, Kenton, Kidd, Layman, LeMaster, Mann, May, McBee, McKinney, Moberly, Morris, Noe, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, Robinson, Romines, Smith, Stumbo, Thomas, Thomason,Tobin, Weinberg, White, Williams. Nays 41-Allen, Arnold, Blandford, Boswell, Brinkley, Burnette, Caldwell, Clapp, Clark, Clarke, Curd, DeFalaise, Deskins, Dunn, Ellington, Farrow, Freibert, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Johnson, Jones, Lewis, Little, McNutt, Nett, O'Brien, Overstreet, Patrick, Rattliff, Riner, Sale, Schmidt, Stone, Turner, Van Horn, Wilborn, Worthington.

Committee Amendment No. 2 to **HB 14** was adopted.

Representative Cyrus moved that **HB 14,** as amended, be passed.

Representative Weinberg moved the adoption of the Floor Amendment No. 1 to **HB 14.**

On the roll call the vote was yeas 30-Allen, Arnold, Blair, Blythe, Burnette, Cawood, Craddock, Crupper, Curd, Davenport, DeFalaise, DeMarcus, Ellington, Guenthner, Kenton, Kidd, Layman, McKinney, McNutt, Noe, Pearman, P. Richardson, Romines, Smith, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg. Nays 58-Adams, Barows, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Gray, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Lewis, List, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Nett, O'Brien, Overstreet, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Sale, Schmidt, Stone, Turner, Williams, Worthington.

Floor Amendment No. 1 to **HB 14** was rejected.

Representative Cyrus moved that **HB 14,** as amended, be passed.

On the roll call the vote was yeas 59-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blythe, Bronger, Brown, Bruce, Burch, Cawood, Clark, Clarke, Craddock, Crupper, Cyrus, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Gray, Guenthner, Hines, Holbrook, Isler, Jones, Kenton, Kidd, LeMaster, List, Little, Mann, May, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Romines, Smith, Stumbo, Thomas, Thomason, Tobin, White, Williams. Nays 36-Allen, Blandford, Boswell, Brinkley, Burnette, Caldwell, Clapp, Curd, Davenport, DeFalaise, Ellington, Farrow, Freibert, Fryman, Haering, Hancock, Head, Heleringer, Holloway, Johnson, Layman, Lewis, Lundergan, McNutt, Nett, Patrick, Rattliff, Riner, Sale, Schmidt, Stone, Turner, Van Horn, Weinberg, Wilborn, Worthington.

HB 14, as amended, was defeated.

Recess

Representative B. Richardson moved that the House recess for thirty minutes for committee meetings as follows: Committee on Transportation, Room 307; Committee on Education, Room 316.

On the roll call the vote was yeas 47-Adams, Arnold, Barrows, Bendl, Brinkley, Bruce, Burch, Cawood, Craddock, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Hancock, Head, Hines, Isler, Jones, Kenton, Kidd, LeMaster, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Noe, O'Brien, Pearman, Petty, Plummer, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Stone, Stumbo, Weinberg, Worthington. Nays 30-Allen, Blythe, Bronger, Brown, Caldwell, Clark, Clarke, Davenport, DeFalaise, Farrow, Freibert, Gray, Guenthner, Haering, Heleringer, Holbrook, Holloway, Johnson, Layman, Lewis, List, Nett, Overstreet, Patrick, Rattliff, Schmidt, Smith, Turner, Van Horn, Wilborn.

The motion that the House recess was adopted.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

Announcing passage of **HB 392** with Senate Amendment, **SR 48, SB 290, SB 321, SB 332, SB 239, SB 302, SB 333, SB 340, SB 251, SB 357, SR 53,** and **SB 231.**

Orders of the Day (continued)

HB 271, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Sale moved the adoption of the Committee Substitute to **HB 271.** Agreed.

Representative Thomas moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 271.** Agreed.

Representative Sale moved that **HB 271,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 82-Adams, Allen, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Donnermeyer, Dunn, Ellington, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington. Nays 2-Clarke, Schmidt.

HB 271, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Sale moved that the vote by which **HB 271,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Davenport moved that the vote on **HB 14** be reconsidered and that it be placed in Orders of the Day.

On the roll call the vote was yeas 58-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Cyrus, Davenport, Dawahare, Donnermeyer, Gray, Guenthner, Hines, Isler, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Sale, Smith, Stumbo, Thomas, Thomason, Tobin, White, Williams. Nays 27-Allen, Barrows, Brinkley, Burnette, Caldwell, Curd, DeFalaise, DeMarcus, Dunn, Ellington, Farrow, Freibert, Fryman, Haering, Hancock, Heleringer, Holloway, Layman, Lewis, Patrick, Rattliff, Riner, Schmidt, Stone, Turner, Van Horn, Worthington.

The motion that the vote on **HB 14** be reconsidered and that it be placed in Orders of the Day was adopted.

HB 14, as amended by Committee Amendment No. 2, taken from Orders of the Day. Representative B. Richardson moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **HB 14,** as amended, be passed.

Representative Weinberg moved that the vote on Floor Amendment No. 1 to **HB 14** be reconsidered.

The Chair ruled that Representative Weinberg had not voted on the prevailing side.

Representative Mann moved that the vote on Floor Amendment No. 1 to **HB 14** be reconsidered.

On the roll call the vote was yeas 36-Arnold, Bendl, Bennett, Blair, Bruce, Cawood, Craddock, Crupper, Davenport, DeMarcus, Deskins, Ellington, Gray, Hines, Kenton, Kidd, Little, Lundergan, Mann, McNutt, Moberly, Morris, Pearman, Petty, Priddy, Richards, B. Richardson, P. Richardson, Romines, Sale, Smith, Stumbo, Thomason, Tobin, Weinberg, White. Nays 38-Adams, Allen, Barrows, Blandford, Boswell, Brinkley, Bronger, Brown, Caldwll, Clapp, Clark, Clarke, Curd, Cyrus, Donnermeyer, Farrow, Freibert, Fryman, Guenthner, Haering, Head, Heleringer, Holbrook, Isler, Johnson, Layman, LeMaster, May, McBee, Nett, Overstreet, Plummer, Riner, Robinson, Schmidt, Stone, Turner, Van Horn.

The motion that the vote on Floor Amendment No. 1 to **HB 14** be reconsidered was rejected.

Representative Cyrus moved that **HB 14,** as amended, be passed.

On the roll call the vote was yeas 62-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Bronger, Brown, Bruce, Burch, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Cyrus, Davenport, Dawahare, Deskins, Donnermeyer, Gray, Guenthner, Hines, Isler, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Romines, Smith, Stumbo, Thomas, Thomason, Tobin, Weinberg, White. Nays 30-Allen, Brinkley, Burnette, Caldwell, Curd, DeFalaise, Ellington, Farrow, Freibert, Fryman, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Johnson, Layman, Lewis, McNutt, Nett, Rattliff, Riner, Sale, Schmidt, Stone, Turner, Van Horn, Wilborn, Worthington.

HB 14, as amended, was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 14,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

The Clerk announced the filing of the Conference Committee report on **HB 122.**

HB 507, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Substitute to **HB 507.** Agreed.

Representative LeMaster moved that **HB 507,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 84-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, List, Little, Lundergan, Mann, May, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington. Nays 0.

HB 507, by way of Committee Substitute, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 507,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 612 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **HB 612** be passed.

On the roll call the vote was yeas 71-Adams, Arnold, Barrows, Bendl, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clark, Clarke, Crupper, Curd, Davenport, Dawahare, DeFalaise, Deskins, Donnermeyer, Ellington, Farrow, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Jones, Kenton, Kidd, LeMaster, Lewis, Little, Mann, May, McBee, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams. Nays 6-Allen, DeMarcus, Freibert, Haering, Layman, Riner.

HB 612 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 612** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 627 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wilborn moved that **HB 627** be passed.

On the roll call the vote was yeas 80-Adams, Barrows, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Ellington, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Isler, Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Smith, Stone, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams. Nays 1-Turner.

HB 627 was passed and the title agreed to.

Representative Wilborn moved that the vote by which **HB 627** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 653 taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HB 653** be passed.

On the roll call the vote was yeas 75-Adams, Arnold, Bendl, Bennett, Blair, Blandford, Boswell, Brinkley, Brown, Burch, Burnette, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, Donnermeyer, Ellington, Farrow, Freibert, Gray, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, McNutt, Moberly, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Rapier, Rattlif, Richards, B. Richardson, P. Richardson, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, White, Wilborn, Williams, Worthington. Nays 4-DeMarcus, Fryman, Haering, Turner.

HB 653 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 653** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 631, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of the Committee Substitute to **HB 631.** Agreed.

Representative Hancock moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 631.** Agreed.

Representative Weinberg moved that **HB 631,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 71-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Cawood, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Freibert, Gray, Guenthner, Haering, Hancock, Head, Hines, Holloway, Isler, Johnson, Kenton, Kidd, LeMaster, List, Little, Lundergan, May, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, Weinberg, White, Wilborn, Williams. Nays 12-Allen, Caldwell, Clarke, DeFalaise, Holbrook, Layman, Lewis, McNutt, Patrick, Plummer, Rattliff, Turner.

HB 631, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Weinberg moved that the vote by which **HB 631,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 659, with Committee Substitute and Floor Title Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved the adoption of the Committee Substitute to **HB 659.** Agreed.

Representative Williams moved that **HB 659,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 39-Bendl, Bennett, Boswell, Brown, Burch, Cawood, Clark, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Gray, Haering, Heleringer, Hines, Isler, Kidd, List, Mann, McBee, Moberly, Nett, Noe, Petty, Priddy, Rapier, Riner, Romines, Sale, Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, Weinberg, Wilborn, Williams. Nays 46-Adams, Allen, Arnold, Barrows, Blair, Blandford, Blythe, Bruce, Caldwell, Clapp, Clarke, Craddock, Dawahare, DeFalaise, DeMarcus, Ellington, Farrow, Freibert, Fryman, Guenthner, Hancock, Head, Holbrook, Holloway, Jones, Kenton, Layman, LeMaster, Lewis, Lundergan, McNutt, Morris, O'Brien, Overstreet, Patrick, Pearman, Plummer, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Thomason, Turner, White, Worthington.

HB 659, by way of Committee Substitute, was defeated.

HB 702, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved that **HB 702** be passed.

Representative Patrick moved the adoption of the Floor Amendment No. 1 to **HB 702.**

Representative List requested the Chair to rule as to whether Floor Amendment No. 1 was germane to **HB 702.**

The Chair ruled Floor Amendment No. 1 not germane to **HB 702.**

Representative List moved that **HB 702** be passed.

On the roll call the vote was yeas 78-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Cawood, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Head, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, LeMaster, List, Little, Lundergan, Mann, May, McBee, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, B. Richardson, P. Richardson, Riner, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Weinberg, Wilborn, Williams, Worthington. Nays 0.

HB 702 was passed and the title agreed to.

Representative List moved that the vote by which **HB 702** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Pro Tempore presiding.

HB 703, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved that **HB 703** be passed.

Representative Worthington moved the adoption of the Floor Amendment No. 1 to **HB 703.** Agreed.

Representative List moved that **HB 703,** as amended, be passed.

On the roll call the vote was yeas 84-Adams, Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Burch, Caldwell, Cawood, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeMarcus, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, Isler, Johnson, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn, Worthington. Nays 0.

HB 703, as amended, was passed and the title agreed to.

Representative List moved that the vote by which **HB 703,** as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 717, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HB 717** be passed.

On the roll call the vote was yeas 82-Adams, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Burch, Cawood, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, May, McBee, McKinney, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Plummer, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Romines, Sale, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Weinberg, White, Wilborn. Nays 8-Allen, Caldwell, Clarke, Freibert, Haering, McNutt, Patrick, Riner.

HB 717 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 717** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 864, with Committee Amendments and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved that **HB 864** be passed.

Representative Deskins moved that **HB 864** be laid on the Clerk's desk.

Representative Little moved that **HB 864** be laid on the table.

On the roll call the vote was yeas 32-Bendl, Bennett, Boswell, Brown, Bruce, Cawood, Clark, Crupper, Cyrus, Dawahare, DeMarcus, Deskins, Dunn, Farrow, Gray, Head, Hines, Isler, Johnson, LeMaster, Lewis, Little, McKinney, Moberly, Overstreet, Romines, Stone, Stumbo, Van Horn, Weinberg, Wilborn, Williams. Nays 48-Adams, Allen, Arnold, Barrows, Blair, Brinkley, Caldwell, Clarke, Craddock, Curd, Davenport, DeFalaise, Ellington, Freibert, Haering, Hancock, Heleringer, Holbrook, Holloway, Jones, Layman, List, Lundergan, Mann, May, McBee, McNutt, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Plummer, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Sale, Schmidt, Thomas, Thomason, Tobin, Turner, White, Worthington.

The motion that **HB 864** be laid on the table was rejected.

On the roll call the vote was yeas 43-Bendl, Bennett, Blandford, Boswell, Brinkley, Brown, Caldwell, Cawood, Clark, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Gray, Head, Hines, Isler, Johnson, LeMaster, Lewis, Little, Mann, McBee, McKinney, Moberly, Nett, Noe, Overstreet, Petty, Priddy, Richards, Romines, Smith, Stone, Stumbo, Thomas, Van Horn, Weinberg, White, Wilborn, Williams, Worthington. Nays 43-Allen, Arnold, Blair, Blythe, Burch, Craddock, Crupper, Davenport, Dawahare, DeFalaise, DeMarcus, Ellington, Farrow, Freibert, Fryman, Guenthner, Haering, Hancock, Heleringer, Holloway, Jones, Kenton, Kidd, Layman, List, Lundergan, May, McNutt, Morris, O'Brien, Patrick, Pearman, Plummer, Rapier, B. Richardson, P. Richardson, Riner, Robinson, Sale, Schmidt, Thomason, Tobin, Turner.

The motion that **HB 864** be laid on the Clerk's desk was rejected.

Representative Holloway moved the adoption of the Committee Amendment No. 1 to **HB 864.** Agreed.

Representative Holloway moved the adoption of the Committee Amendment No. 2 to **HB 864.** Agreed.

Representative Pearman moved the adoption of the Floor Amendment No. 1 to **HB 864.** Agreed.

Representative O'Brien moved that **HB 864,** as amended, be passed.

Representative Donnermeyer moved that **HB 864,** as amended, be laid on the Clerk's desk.

On the roll call the vote was yeas 46-Barrows, Bnedl, Bennett, Blandford, Boswell, Brinkley, Brown, Caldwell, Cawood, Clapp, Clark, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Gray, Head, Hines, Isler, Johnson, Kenton, LeMaster, Lewis, Little, Mann, McBee, McKinney, Moberly, Nett, Noe, Overstreet, Petty, Priddy, Richards, Romines, Sale, Smith, Stone, Stumbo, Thomas, Van Horn, Weinberg, White, Wilborn, Williams. Nays 43-Allen, Arnold, Blair, Blythe, Bruce, Burch, Craddock, Crupper, Curd, Davenport, Dawahare, DeFalaise, DeMarcus, Ellington, Freibert, Fryman, Guenthner, Haering, Hancock, Heleringer, Holloway, Jones, Kidd, Layman, List, Lundergan, May, McNutt, Morris, O'Brien, Patrick, Pearman, Plummer, Rapier, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Thomason, Tobin, Turner, Worthington.

The motion that **HB 864,** as amended, be laid on the Clerk's desk was adopted.

Speaker Kenton resumed the Chair.

HB 857, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative B. Richardson moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Committee Substitute to **HB 857.** Agreed.

Representative B. Richardson moved that **HB 857,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 81-Allen, Arnold, Barrows, Bendl, Bennett, Blair, Blandford, Blythe, Boswell, Brinkley, Brown, Bruce, Burch, Cawood, Clapp, Clark, Craddock, Crupper, Cyrus, Davenport, Dawahare, DeFalaise, DeMarcus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Fryman, Gray, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, Isler, Johnson, Jones, Kenton, Kidd, Layman, LeMaster, Lewis, List, Little, Lundergan, Mann, McBee, McKinney, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Plummer, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Romines, Schmidt, Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Weinberg, White, Wilborn, Williams, Worthington. Nays 4-Caldwell, Freibert, Haering, Riner.

HB 857, by way of Committee Substitute, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 857,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative B. Richardson moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

Representative Arnold moved that **SB 210** be returned to the Committee on Committees. Agreed.

Representative B. Richardson moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions

HR 120, by Representative Robinson: A RESOLUTION requesting the Legislative Research Commission to study the federal and state laws and regulations which collectively hamper the transportation of coal.

HJR 121, by Representative DeMarcus: A JOINT RESOLUTION relating to a study of the Commonwealth's system of prosecution of criminal cases and the handling of civil matters by the county and Commonwealth's attorneys and making an appropriation therefor.

Reference of Bills and Resolutions (continued)

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Cities: **SB 210.**

Health and Welfare: **SB 340.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Counties and Special Districts: **SB 365.**

Natural Resources: **SB 266, SB 268, SB 267, SB 213, SR 33, HR 117.**

Judiciary: **SB 227.**

Health and Welfare: **SB 214.**

Business Organizations and Professions: **HB 365.**

Transportation: **HCR 67, HR 114, HB 806, SB 4, SB 136, SB 246.**

Appropriations and Revenue: **SB 102, SB 19, SB 39, SB 124, SB 133, SB 258, HB 388.**

The Clerk announced **SB 210** has been withdrawn from consideration by the Committee on Counties and Special Districts.

Report of Committees (continued)

The Committee on Education reported **HB 395** with Committee Substitute attached thereto with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Substitute to **HB 395** is as follows:

HB 395, AN ACT relating to the common school foundation program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the superintendent of public instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for exceptional children, classroom units for kindergarten, classroom units for superintendents, administrative and special instructional services, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) In allotting classroom units for elementary and secondary schools, one (1) classroom unit shall be included for each twenty-seven (27) pupils in average daily attendance in grades one (1) through twelve (12); provided, however, that one (1) classroom unit shall be included for each isolated one-teacher school with twelve (12) or more pupils in average daily attendance and one (1) unit shall be included for each twenty-five (25) pupils in average daily attendance at all other isolated schools. The allotments of classroom units in this subsection shall be made on the average daily attendance for the end of the previous school year in public school grades one (1) through twelve (12) after the following *addition and* deductions *are applied to the total average daily attendance in non-isolated schools: (a) increase the average daily attendance, beginning in the 1981-82 school year and each year thereafter, to allot classroom units for each twenty-five (25) in average daily attendance in grades one (1) through three (3) by multiplying the average daily attendance in grades one (1) through three (3) times eight one-hundredths (0.08); (b)*[: (a)] an average daily attendance of [six and nine-tenths (6.9) in 1978-79 and] eight and four-tenths (8.4) in *1980-81 and nine and six-tenths (9.6) in 1981-82* [1979-80] shall be deducted for each vocational unit allotted and *(c)* [(b)] an average daily attendance of [five and one-tenth (5.1) in 1978-79 and] six and three-tenths (6.3) in *1980-81 and seven and two-tenths (7.2) in 1981-82* [1979-80] shall be deducted for each exceptional children's unit allotted. If a local school district through its admission and release committee determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, then the school district shall count this as average daily attendance in a public school the time that such child is in attendance at such private school or agency. *Beginning in the 1981-82 school year, units allotted under this subsection in grades one (1) through three (3) shall not exceed units staffed in grades one (1) through three (3).*

(3) Allotments of classroom units except those allotted in accordance with subsection (4) of this section, shall be increased when the average daily attendance in grades one (1) through twelve (12) in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district in grades one (1) through twelve (12) for the first two (2) months of the previous school year. The total number of classroom units allotted the district shall be increased by the percent of increase.

(4) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the number of classroom units allotted the district, except those allotted in accordance with subsection (3) of this section, for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(5) In allotting classroom units for vocational education, one (1) classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the state plan of vocational education as approved by the state board for occupational education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach part-time or short unit classes for less than a school day or a school year that meet the regulations of the state plan of vocational education as approved by the state board for occupational education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(6) In allotting classroom units for exceptional children, one (1) classroom unit shall be included upon the employment of each teacher approved to teach such children in accordance with the provisions of law and Kentucky administrative regulations of the state board for elementary and secondary education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(7) (a) In allotting classroom units for administrative and special instructional services, the total number of classroom units allotted in subsections (2) and (10) plus subsections (5) and (6) before July 1,

1976 shall be divided by eight (8) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(b) The total number of units allotted under subsection (5) beyond those allotted in the school year 1975-76 times [six and nine-tenths (6.9) in 1978-79 and] eight and four-tenths (8.4) in *1980-81 and nine and six-tenths (9.6) in 1981-82* [1979-80] average daily attendance plus the total number of units allotted under subsection (6) beyond those allotted in the school year 1975-76 times [five and one-tenth (5.1) in 1978-79 and] six and three-tenths (6.3) in *1980-81 and seven and two-tenths (7.2) in 1981-82* [1979-80] average daily attendance shall be divided by two hundred and sixteen (216) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(c) The total of subsection (a) plus subsection (b) shall be the number of classroom units allotted the district for administrative and special instructional services as authorized by Kentucky administrative regulations of the state board for elementary and secondary education.

(8) In allotting classroom units for supervisors of instruction, one-half (½) of a classroom unit shall be allotted each district which is allotted twenty-five (25) through forty-nine and nine-tenths (49.9) classroom units under subsections (2), (5), (6) and (10); one (1) unit shall be allotted eah district which is allotted fifty (50) to one hundred (100) classroom units, one unit shall be allotted for each one hundred (100) classroom units, or major fraction thereof, in districts allotted more than one hundred (100) classroom units under these subsections.

(9) In allotting classroom units for directors of pupil personnel, one (1) classroom unit shall be allotted each district which is allotted thirty-six (36) to one hundred and sixty-five and nine-tenths (165.9) classroom units under subsection (2) and a unit for each additional two hundred and sixty-six (266) classroom units or fraction thereof allotted under subsection (2). For districts having fewer than thirty-six (36) classroom units, a proportionate fraction of a classroom unit shall be allotted.

(10) In allotting classroom units for the kindergarten, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, may allot units for kindergarten. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(11) In allotting classroom units for superintendent, one unit shall be allotted each school district.

Section 2. If any of the sections of this Act are determined to be in conflict with the provisions of the 1980-82 biennial budget, the biennial budget shall prevail.

The Committee on Judiciary reported **HB 476** with Committee Substitute attached thereto, **HB 506** with Committee Substitute attached thereto, **HB 668** with Committee Substitute attached thereto, and **HB 676** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 476, AN ACT relating to crime victims' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 346.040 is amended to read as follows:

The board shall have the following powers and duties:

(1) To establish and maintain necessary offices within this state, appoint employes and agents as necessary and prescribe their duties and compensation.

(2) To adopt, promulgate, amend and rescind suitable rules and regulations to carry out the provisions and purposes of this chapter, including rules for the approval of attorney's fees for representation before the board or upon judicial review as provided for in KRS 346.110.

(3) To hear and determine all matters relating to claims for compensation, and the power to re-investigate or reopen claims without regard to statutes of limitations.

(4) To request from prosecuting attorneys and law enforcement officers investigations and data to enable the board to determine whether, and the extent to which, a claimant qualifies for compensation. The statute providing confidentiality for juvenile court records does not apply to proceedings under this chapter.

(5) To hold hearings, administer oaths or affirmations, examine any person under oath or affirmation and to issue subpoenas requiring the attendance and giving of testimony of witnesses and require the production of any books, papers documentary or other evidence. The powers provided in this subdivision may be delegated by the board to any member or employe thereof. If necessary to carry out any of its powers and duties, the board may petition any circuit court for an order.

(6) To take or cause to be taken affidavits or depositions within or without the state.

(7) To make available for public inspection all board decisions and opinions, rules, written statements of policy and interpretations formulated, adopted, or used by it in discharging its functions.

(8) To publicize widely the availability of reparations and information regarding the claims therefor.

(9) To inform those persons eligible for benefits under KRS 346.050 of the benefits available and the manner in which to apply for such benefits.

Section 2. KRS 346.060 is amended to read as follows:

(1) A claim may be filed by a person eligible to receive an award, as provided in KRS 346.050, or, if such person is a minor, by his parent or guardian.

(2) A claim must be filed by the claimant not later than *one (1) year* [six (6)] months after the occurrence of the criminally injurious conduct upon which such claim is based, or not later than *one (1) year* [six (6)] months after the death of the victim.

(3) Claims shall be filed in the office of the board in person or by mail. The board shall accept for filing all claims submitted by persons eligible under subsection (1) of this section and alleging the jurisdiction requirements set forth in this chapter and meeting the requirements as to form in the rules and regulations of the board.

(4) Upon filing of a claim pursuant to this chapter, the board shall promptly notify the commonwealth attorney or county attorney of the county wherein the crime is alleged to have occurred. If, within ten (10) days after such notification, such commonwealth attorney or county attorney advises the board that a criminal prosecution is pending upon the same alleged crime and requests that action by the board be deferred, the board shall defer all proceedings under this chapter until such time as such criminal prosecution has been concluded and shall so notify such commonwealth or county attorney and the claimant. When such criminal prosecution has been concluded such commonwealth or county attorney shall promptly so notify the board. Nothing in this section shall limit the authority of the board to grant emergency awards pursuant to KRS 346.120.

Section 3. KRS 346.080 is amended to read as follows:

(1) A claim, when accepted for filing, shall be assigned by the chairman to himself or to another member of the board. All claims arising from the death of an individual as a direct result of a crime shall be considered together by a single board member.

(2) The board member to whom such claim is assigned shall examine the papers filed in support of such claim. The board member shall thereupon cause an investigation to be conducted into the validity of such claim. Such investigation shall include, but not be limited to, an examination of police, court, and official records and reports concerning the crime. *The board member shall also, as part of his investigation, contact the county attorney or commonwealth's attorney in order to obtain his written recommendation as to disposition of the claim. The county attorney or commonwealth's attorney shall, in making his recommendation consider but not be limited to the following: whether the victim is innocent, whether the victim suffered injuries as a result of the crime and whether the victim cooperated with the prosecution.*

(3) If the mental, physical, or emotional condition of a victim or claimant is material to a claim, the board member may order the victim or claimant to submit to a mental or physical examination by a physician or psychiatrist, and may order an autopsy of a deceased victim. A report upon such examination shall be filed with the board member setting out findings, including results of all tests made, diagnosis, prognosis and other conclusions.

(4) For purposes of this chapter there is no privilege except privileges arising from the attorney-client relationship, as to communications or records relevant to an issue of the physical, mental, or emotional condition of the claimant or victim in a proceeding under this chapter in which that condition is an element.

(5) Claims shall be investigated and determined, regardless of whether the alleged criminal has been apprehended or prosecuted for or convicted of any crime based upon the same incident, or has been acquitted, or found not guilty of the crime in question owing to criminal irresponsibility or other legal exemption.

(6) The board member to whom a claim is assigned may decide such claim in favor of a claimant in the amount claimed on the basis of the papers filed in support thereof and the report of the investigation of such claim. If the board member is unable to decide such claim upon the basis of such papers and such report, he shall order a hearing. At such hearing any relevant evidence, not legally privileged, shall be admissible.

(7) After examining the papers filed in support of such claim and the report of investigation, and after a hearing, if any, the board member to whom such claim was assigned shall make a decision either granting an award pursuant to KRS 346.130 or deny the claim.

(8) The board member making a decision shall file a written report setting forth such decision and his reasons therefor and shall thereupon cause the claimant to be notified and furnish him a copy of such report.

The Committee Substitute to **HB 476** is as follows:

HB 476, AN ACT relating to crime victims' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 346.020 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Board" means the crime victims compensation board.

(2) "Claimant" means any of the following claiming compensation under this chapter: a victim, a dependent of a deceased victim, a third person other than a collateral source, or an authorized person acting on behalf of any of them.

(3) "Criminally injurious conduct" means conduct that occurs or is attempted in this jurisdiction, poses a substantial threat of personal injury or death, and is punishable by fine, imprisonment or death. Acts which, but for the insanity or mental irresponsibility or lack of capacity of the perpetrator, would constitute criminal conduct shall be deemed to be criminally injurious conduct. The operation of a motor vehicle, motorcycle, train, boat, aircraft or other vehicle in violation of law does not constitute a criminally injurious conduct unless the injury or death was intentionally inflicted [or the operation thereof was part of the commission of another criminal act].

(4) "Family," when used with reference to a person, shall mean:

(a) Any person related to such person within the third degree of consanguinity;

(b) Any person maintaining a sexual relationship with such person; or

(c) Any person residing in the same household with such person.

(5) "Victim" means a resident of this state *or the resident of a reciprocal state,* who suffers personal injury or death *from a criminal act in Kentucky* as a result of:

(a) Criminally injurious conduct;

(b) A good faith effort to prevent criminally injurious conduct; or

(c) A good faith effort to apprehend a person reasonably suspected of engaging in criminally injurious conduct.

Section 2. KRS 346.060 is amended to read as follows:

(1) A claim may be filed by a person eligible to receive an award, as provided in KRS 346.050, or, if such person is a minor, by his parent or guardian.

(2) A claim must be filed by the claimant not later than *one (1) year* [six (6) months] after the occurrence of the criminally injurious conduct upon which such claim is based, or not later than *one (1) year* [six (6) months] after the death of the victim.

(3) Claims shall be filed in the office of the board in person or by mail. The board shall accept for filing all claims submitted by persons eligible under subsection (1) of this section and alleging the jurisdiction requirements set forth in this chapter and meeting the requirements as to form in the rules and regulations of the board.

(4) Upon filing of a claim pursuant to this chapter, the board shall promptly notify the commonwealth attorney or county attorney of the county wherein the crime is alleged to have occurred. If, within ten (10) days after such notification, such commonwealth attorney or county attorney advises the board that a criminal prosecution is pending upon the same alleged crime and requests that action by the board be deferred, the board shall defer all proceedings under this chapter until such time as such criminal prosecution has been concluded and shall so notify such commonwealth or county attorney and the claimant. When such criminal prosecution has been concluded such commonwealth or county attorney shall promptly so notify the board. Nothing in this section shall limit the authority of the board to grant emergency awards pursuant to KRS 346.120.

Section 3. KRS 346.110 is amended to read as follows:

Within thirty (30) days after receipt of the copy of the report containing the final decision of the board, the attorney general or claimant may file a proceeding in the Franklin Circuit Court to review the decision of the board. A copy of the filing and complaint shall be served upon the claimant or the attorney general and the board in the manner provided by the rules of civil procedure. Such proceeding shall be heard in a summary manner and shall have precedence over all other civil cases in such court. *The question on review shall be limited to whether the decision of the board is adequately supported by substantial evidence and whether the decision of the board is an abuse of discretion.*

Section 4. KRS 346.130 is amended to read as follows:

(1) No award shall be made unless the board or board member, as the case may be, finds that:

(a) Criminally injurious conduct occurred;

(b) Such criminally injurious conduct resulted in personal physical injury to or death of, the victim; and

(c) Police records show that such crime was promptly reported to the proper authorities; and in no case may an award be made where the police records show that such report was made more than forty-eight (48) hours after the occurrence of such crime unless the board for good cause shown, finds the delay to have been justified.

(2) The board upon finding that the claimant or victim has not fully cooperated with appropriate law enforcement agencies shall deny, reconsider, or reduce an award.

(3) Any award made pursuant to this chapter shall exclude therefrom the initial one hundred dollars ($100) of losses incurred and shall be in an amount not exceeding out-of-pocket expenses, including indebtedness reasonably incurred for medical or other services necessary as a result of the injury upon which the claim is based, together with loss of earnings or support resulting from such injury. Provided, however, that any award made pursuant to this chapter to a victim sixty-five (65) years of age or older shall not exclude therefrom the initial one hundred dollars ($100) of losses incurred.

(4) Any award made for loss of earnings or support shall, unless reduced pursuant to other provisions of this chapter be in an amount equal to the actual loss sustained; provided, however, that no such award shall exceed one hundred fifty dollars ($150) for each week of lost earnings or support. If there are two (2) or more persons entitled to an award as a result of the injury or death of a person which is the direct result of criminally injurious conduct the award shall be apportioned by the board among the claimants.

(5) *The board is authorized to set a reasonable limit for the payment of funeral and burial expenses which shall include funeral costs, a monument and graveplot. In no event shall an award for funeral expenses exceed twenty-five hundred dollars ($2,500).*

(6) Any award made under this chapter shall not exceed fifteen thousand dollars ($15,000).

Section 5. KRS 346.140 is amended to read as follows:

(1) Any award made pursuant to this chapter shall be reduced by the amount of any payments received or to be received by the claimant as a result of the injury from the following sources:

(a) From or on behalf of the person who committed the crime;
(b) Under insurance programs mandated by law;
(c) From public funds;
(d) Under any contract of insurance wherein the claimant is the insured or beneficiary; and
(e) As an emergency award pursuant to KRS 346.120.

(2) In determining the amount of an award, the board or board member, as the case may be shall determine whether, because of his conduct, the victim of such crime contributed to the infliction of his injury, and the board or board member shall reduce the amount of the award or reject the claim altogether, in accordance with such determination; provided, however, that the board or board member, as the case may be, may disregard for this purpose the responsibility of the victim for his own injury where the record shows that such responsibility was attributable to efforts by the victim to prevent a crime or an attempted crime from occurrence in his presence or to apprehend a person who had committed a crime in his presence or had in fact committed a felony. *The board or board members may request that either the county attorney or commonwealth's attorney or both state whether in their opinion, the victim suffered injuries as the result of a crime and has cooperated with the prosecution and law enforcement authorities. The board or board member shall not be bound by such opinions and recommendations and if needed may order a further investigation of the claim.*

(3) *The board or board member may consider whether the claimant's injuries were the ordinary and foreseeable result of unlawful and criminal activities in determining the claimant's eligibility for an award.* If the board or board member, as the case may be, finds that the claimant will not suffer serious financial hardships, as a result of the loss of earnings or support and the out-of-pocket expenses incurred as a result of the injury, if not granted financial assistance pursuant to this chapter to meet such loss of earnings, support or out-of-pocket expenses, the board or board member shall deny an award. In determining such serious financial hardship, the board or board member shall consider all of the financial resources of the claimant. The board shall establish specific standards by rule for determining such serious financial hardships.

SECTION 6. A NEW SECTION OF KRS CHAPTER 346 IS CREATED TO READ AS FOLLOWS:

(1) The board is empowered to enter into reciprocal agreements with all other states which have established, maintained and funded a state sponsored program for the compensation of crime victims.

(2) The reciprocal agreement shall provide that any Kentucky resident who is a crime victim in the reciprocal state will be entitled to the same benefits and will be subject to the same rules and regulations governing the claim of a resident of the reciprocal state.

(3) Any resident of a reciprocal state who was a crime victim in Kentucky may file a claim with the Kentucky crime victims' compensation board and will be entitled to the same benefits and will be subject to the same rules and regulations governing the claim of a Kentucky resident.

(4) The agreement, entered by and between Kentucky and any reciprocal state, may provide for the cooperation and assistance of investigators in each state in determining the eligibility of a claimant for an award and the amount of the award. The agreement may also provide that if a resident of a reciprocal state has been awarded benefits in Kentucky or a Kentucky resident has been awarded benefits in a reciprocal state, such claimant will not be entitled to an award in his resident state.

HB 506, AN ACT relating to bail.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 431 IS CREATED TO READ AS FOLLOWS:

The clerk of the court shall collect a fee of five dollars ($5.00) for taking, copying or recording any bail bond. This payment shall be in lieu of the amount required to be paid to the clerk under KRS 64.005, and shall not be collected from defendants who are to be released on personal recognizance. The money so collected by the clerk shall be deposited in the general fund of the state treasury.

Section 2. KRS 64.005 is amended to read as follows:

(1) The clerks of the Supreme Court, the Court of Appeals and the circuit courts shall collect a fee of two dollars ($2.00) for taking, copying or recording any bond *except bail bonds, the fee for which shall be governed by Section 1 of this Act.*

(2) Such fee shall be deposited in the general fund of the state treasury.

Section 3. KRS 431.530 is amended to read as follows:

(1) Any person who has been permitted to execute a bail bond in accordance with KRS 431.520 (3)(b) shall deposit with the clerk of the court before which the action is pending a sum of money equal to ten percent (10%) of the bail, but in no event shall such deposit be less than ten dollars ($10.00).

(2) Upon depositing said sum the defendant shall be released from custody subject to all conditions of release imposed by the court.

(3) Except as provided in subsection *(4)* [(5)] of this section *and in KRS 431.532,* if the conditions of release have been performed and the defendant has been discharged from all obligations *under the bail bond,* [in the action] the clerk of the court shall return to the defendant[, unless the court orders otherwise, ninety percent (90%) of the sum deposited and shall retain as bail costs ten percent (10%) of] the *entire* amount deposited[; provided, however, in no event shall the amount retained by the clerk as bail costs be less than five dollars ($5.00). It is further provided that the court shall order the clerk of court to pay into the public advocate special account any amount of the sum deposited by the defendant, in excess of bail costs, which in its sound discretion represents a reasonable fee for any public advocate legal or investigative services provided for the defendant under KRS Chapter 31, but in no event shall the amount so paid to the public advocate special account as public advocate legal and investigative fees be less than five dollars ($5.00) per case]. At the request of the defendant the court may order the amount repayable to defendant from such deposit to be paid to defendant's attorney of record.

(4) [Except as provided in subsection (5) of this section,] If a final judgment for a fine and court costs or either is entered in the prosecution of an action in which a deposit has been made *by the defendant himself,* [in accordance with subsection (1) of this section, the balance of] such deposit[, after deduction of bail costs and public advocate fees as provided for in subsection (3) of this section,] shall be applied to the satisfaction of the judgment *and any balance remaining shall be returned to the defendant unless he requests that it be paid to his attorney of record as provided in subsection (3) of this section.*

[(5) If the defendant has performed all conditions of release and if the defendant is found not guilty of the offense for which bail was posted, or if all charges against him relating to the offense for which bail was posted are dropped or dismissed, then all bail money deposited by the defendant or by another person on his behalf shall be returned to him with no deductions therefrom as provided in subsection (3) or (4) of this section.]

Section 4. KRS 431.532 is amended to read as follows:

When deposits of money are made by a person other than the defendant utilizing funds other than those of the defendant as bail security pursuant to KRS 431.530 the following terms and conditions shall apply in lieu of the provisions of subsections (3) and (4) of KRS 431.530:

(1) The deposit shall be listed as being made on behalf of the defendant by the depositor and not in the name of the defendant;

(2) If the conditions of release have been performed and the defendant has been discharged from all obligations *under the bail bond* [in the action] the clerk of the court shall return *the full amount deposited* to the person who deposited *it and* [the money ninety percent (90%) of the sum deposited and shall retain as bail costs ten percent (10%) of the amount deposited provided, however, in no event shall the amount retained by the clerk as bail costs be less than five dollars ($5.00);

(3)] no deductions shall be made by the court for public advocate services, satisfaction of fines, payment of attorneys, or any other purpose [when the defendant has been discharged as provided in subsection (2) of this section] unless agreed to by the poster of the bond.

[(4) If the defendant has performed all conditions of release and if the defendant is found not guilty of the offense for which bail was posted, or if all charges against him relating to the offense for which bail was posted are dropped or dismissed, then all bail money deposited pursuant to this section shall be returned to the person posting the bail with no deductions therefrom as provided in subsection (3) or (4) of KRS 431.530.]

Section 5. KRS 454.185 is amended to read as follows:

(1) The surety in every bond provided for by any statute derived from the former Civil Code, or by the Rules of Civil Procedure must be a resident of this state, and be worth double the sum to be secured beyond the amount of his debts, and have property liable to execution in this state equal to the sum to be secured. If there *are* [be] two or more sureties in the same bond they must, in the aggregate, have the qualifications prescribed in this section.

(2) Qualifications of sureties for bail bonds in criminal cases shall be governed by the Rules of Criminal Procedure.

Section 6. KRS 431.531, Statement of collections to be filed — Funds to be sent to state treasury — Certification of amounts and publication of annual audit by administrative office of the courts, is repealed.

The Committee Substitute to **HB 506** is as follows:

HB 506, AN ACT relating to bail.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 431 IS CREATED TO READ AS FOLLOWS:

The clerk of the court shall collect a fee of seven dollars ($7) for taking, copying or recording any bail bond. This payment shall be in lieu of the amount required to be paid to the clerk under KRS 64.005, and shall not be collected from defendants who are to be released on personal recognizance. The money so collected by the clerk shall be deposited in the general fund of the state treasury.

Section 2. KRS 64.005 is amended to read as follows:

(1) The clerks of the Supreme Court, the Court of Appeals and the circuit courts shall collect a fee of two dollars ($2) for taking, copying or recording any bond *except bail bonds, the fee for which shall be governed by Section 1 of this Act.*

(2) Such fee shall be deposited in the general fund of the state treasury.

Section 3. KRS 431.530 is amended to read as follows:

(1) Any person who has been permitted to execute a bail bond in accordance with KRS 431.520 (3)(b) shall deposit with the clerk of the court before which the action is pending a sum of money equal to ten percent (10%) of the bail, but in no event shall such deposit be less than ten dollars ($10).

(2) Upon depositing said sum the defendant shall be released from custody subject to all conditions of release imposed by the court.

(3) Except as provided in subsection (5) of this section *and in KRS 431.532,* if the conditions of release have been performed and the defendant has been discharged from all obligations *under the bail bond,* [in the action] the clerk of the court shall return to the defendant[, unless the court orders otherwise, ninety percent (90%) of the sum deposited and shall retain as bail costs ten percent (10%) of] the *entire* amount deposited[; provided, however, in no event shall the amount retained by the clerk as bail costs be less than five dollars ($5). It is further provided that the court shall order the clerk of court to pay into the public advocate special account any amount of the sum deposited by the defendant, in excess of bail costs, which in its sound discretion represents a reasonable fee for any public advocate legal or investigative services provided for the defendant under KRS Chapter 31, but in no event shall the amount so paid to the public advocate special account as public advocate legal and investigative fees be less than five dollars ($5) per case]. At the request of the defendant the court may order the amount repayable to defendant from such deposit to be paid to defendant's attorney of record.

(4) [Except as provided in subsection (5) of this section,] If a final judgment for a fine and court costs or either is entered in the prosecution of an action in which a deposit has been made *by the defendant himself,* [in accordance with subsection (1) of this section, the balance of] such deposit[, after deduction of bail costs and public advocate fees as provided for in subsection (3) of this section,] shall be applied to the satisfaction of the judgment *and any balance remaining shall be returned to the defendant unless he requests that it be paid to his attorney of record as provided in subsection (3) of this section.*

(5) If the defendant has performed all conditions of release and if the defendant is found not guilty of the offense for which bail was posted, or if all charges against him relating to the offense for which bail was posted are dropped or dismissed, then all bail money deposited by the defendant or by another person on his behalf shall be returned to him with no deductions therefrom as provided in subsection (3) or (4) of this section.

Section 4. KRS 431.532 is amended to read as follows:

When deposits of money are made by a person other than the defendant utilizing funds other than those of the defendant as bail security pursuant to KRS 431.530 the following terms and conditions shall apply in lieu of the provisions of subsections (3) and (4) of KRS 431.530:

(1) The deposit shall be listed as being made on behalf of the defendant by the depositor and not in the name of the defendant;

(2) If the conditions of release have been performed and the defendant has been discharged from all obligations *under the bail bond* [in the action] the clerk of the court shall return *the full amount deposited* to the person who deposited *it and* [the money ninety percent (90%) of the sum deposited and shall retain as bail costs ten percent (10%) of the amount deposited provided, however, in no event shall the amount retained by the clerk as bail costs be less than five dollars ($5);

(3)] no deductions shall be made by the court for public advocate services, satisfaction of fines, payment of attorneys, or any other purpose [when the defendant has been discharged as provided in subsection (2) of this section] unless agreed to by the poster of the bond.

[(4) If the defendant has performed all conditions of release and if the defendant is found not guilty of the offense for which bail was posted, or if all charges against him relating to the offense for which bail was posted are dropped or dismissed, then all bail money deposited pursuant to this section shall be returned to the person posting the bail with no deductions therefrom as provided in subsection (3) or (4) of KRS 431.530.]

Section 5. KRS 454.185 is amended to read as follows:

(1) The surety in every bond provided for by any statute derived from the former Civil Code, or by the Rules of Civil Procedure must be a resident of this state, and be worth double the sum to be secured beyond the amount of his debts, and have property liable to execution in this state equal to the sum to be secured. If there *are* [be] two or more sureties in the same bond they must, in the aggregate, have the qualifications prescribed in this section.

(2) Qualifications of sureties for bail bonds in criminal cases shall be governed by the Rules of Criminal Procedure.

Section 6. KRS 431.531, Statement of collections to be filed — Funds to be sent to state treasury — Certification of amounts and publication of annual audit by administrative office of the courts, is repealed.

HB 668, AN ACT relating to the custody and disposition of certain property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) The county judge/executive shall designate the sheriff of the county, or if there is a county police department may designate the chief of the county police, as custodian of all property:

(a) Alleged to be or suspected of being the proceeds of crime; or

(b) Alleged to be or suspected of having been used to facilitate the commission of a crime; or

(c) Which is subject to confiscation or forfeiture, or both, under any provision of the Kentucky Revised Statutes; or

(d) Which is taken from the person of a prisoner, except for such personal property as may be in the custody of a prisoner upon his admission to jail (in which case all property which he is not permitted to retain upon admission to jail shall be placed in the custody of the jailer); or

(e) Which is lost or abandoned and taken into custody by any peace officer, or the courts; or

(f) Which is taken from persons supposed to be insane, intoxicated, or otherwise incapable of taking care of themselves.

(2) Any peace officer or court having custody of such property shall, as soon as practicable, deliver it into the custody of the property clerk.

(3) The sheriff or chief of county police designated as custodian of property shall appoint from persons on his staff, or may employ, a person to serve as property clerk and such other persons as may be necessary as deputy property clerks.

(4) All such property shall be particularly described and registered by the property clerk, or his deputy, in a book kept for that purpose, containing the name of the owner, if ascertained, the place where found, the name of the person from whom it was taken, with the general circumstances of its receipt, the name of the officer recovering the property, the names of all claimants thereto, and any final disposition of the property. The property clerk shall advertise the property, if it is not the subject of a forfeiture proceeding, as to the amount and disposition of the property.

(5) The fiscal court of the county may prescribe regulations in regard to the duties of the property clerk and his deputies, and require security for the faithful performance of the duties imposed by this section.

(6) All animals stolen, strayed, lost or confiscated that come into the possession of the property clerk shall be sent to a public pound located within the county, if there is one, or if there is none to a public pound in another county.

(7) No property shall be delivered to the property clerk or his deputy except as provided in this section.

(8) No property shall be disposed of by the property clerk or his deputy except in the manner prescribed by law.

(9) The provisions of this section shall apply in all unincorporated areas of a county and in all cities which do not appoint a property custodian pursuant to Section 3 of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) If any property in the custody of the property custodian is desired as evidence in any court, such property shall be delivered to any officer who presents an order to that effect from the court. Such property shall not be retained by the court, but shall be returned to the property clerk.

(2) All property which has been seized and is forfeited pursuant to law shall be disposed of as provided in the court order of forfeiture.

(3) All property that remains in the custody of the property clerk without any lawful claimant thereto, and which is contraband or which is subject to forfeiture and on which there will be no court action shall be ordered forfeited by the circuit court of the county not less than ninety (90) days after it comes into the possession of the property clerk. The order of forfeiture shall specify the manner of disposition of the property and shall be consistent with applicable provisions of the Kentucky Revised Statutes and federal law. If the property is ordered and sold the proceeds shall go to the general fund of the state treasury.

(4) All property that remains in the custody of the property custodian without any lawful claimant thereto and which is not subject to the provisions of subsections (2) or (3) of this section may be sold at public auction in a suitable room designated for such purpose, after being advertised pursuant to KRS Chapter 424. The proceeds of such sale shall be paid into the fiscal court to the credit of the agency which has custody of the property. No property shall be sold pursuant to this section unless:

(a) The property has been in custody for not less than ninety (90) days; and

(b) Reasonable efforts have been made by the property clerk or his deputy to ascertain the name of the true owner or lawful claimant of the property and to effect its return to him; and

(c) That the sale of the property is in conformity with applicable state and federal laws and regulations.

SECTION 3. A NEW SECTION OF KRS CHAPTER 82 IS CREATED TO READ AS FOLLOWS:

(1) The mayor of any city which maintains a police department may designate the chief of police as custodian of all property which comes within the purview of Section 1 of this Act which is taken by peace officers or courts within the city limits of said city.

(2) The chief of police may appoint or employ a property clerk and such other persons as may be necessary as deputy property clerks in the same manner and subject to the same conditions as in Sections 1 and 2 of this Act.

(3) Custody and disposition of all property in custody of the property clerk shall be governed by the provisions of Sections 1 and 2 of this Act except that:

(a) The legislative body of the city may prescribe regulations in regard to the duties of the property clerk and his deputies and require security for the faithful performance of the duties imposed by Section 2 of this Act; and

(b) That all property which would be subject to the provisions of subsection (4) of Section 2 of this Act and which is sold as provided therein shall result in the proceeds going to the credit of the police department.

(4) All other provisions of Sections 1 and 2 of this Act shall apply to the city and to the property clerk and deputies in the same manner as they do to the county.

Section 4. KRS 67.590, Designation of custodian of property of indeterminate ownership-Procedure for handling of property; 67.600, Use of property in custody as evidence—Auction of unclaimed property; 95.170, Property clerk—Duties as to stolen or lost property; and 95.180, Use of property as evidence—Disposition of unclaimed property, are repealed.

The Committee Substitute to **HB 668** is as follows:

HB 668, AN ACT relating to the custody and disposition of certain property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) The county judge/executive shall designate the sheriff of the county, or if there is a county police department may designate the chief of the county police, as custodian of all property:

(a) Alleged to be or suspected of being the proceeds of crime; or

(b) Alleged to be or suspected of having been used to facilitate the commission of a crime; or

(c) Which is subject to confiscation or forfeiture, or both, under any provision of the Kentucky Revised Statutes; or

(d) Which is taken from the person of a prisoner, except for such personal property as may be in the custody of a prisoner upon his admission to jail (in which case all property which he is not permitted to retain upon admission to jail shall be placed in the custody of the jailer); or

(e) Which is lost or abandoned and taken into custody by any peace officer, or the courts; or

(f) Which is taken from persons supposed to be insane, intoxicated, or otherwise incapable of taking care of themselves.

(2) Any peace officer, except for the Kentucky state police, or court having custody of such property shall, as soon as practicable, deliver it into the custody of the property clerk.

(3) The sheriff or chief of county police designated as custodian of property shall appoint from persons on his staff, or may employ, a person to serve as property clerk and such other persons as may be necessary as deputy property clerks.

(4) All such property shall be particularly described and registered by the property clerk, or his deputy, in a book kept for that purpose, containing the name of the owner, if ascertained, the place where found, the name of the person from whom it was taken, with the general circumstances of its receipt, the name of the officer recovering the property, the names of all claimants thereto, and any final disposition of the property. The property clerk shall advertise the property, if it is not the subject of a forfeiture proceeding, as to the amount and disposition of the property.

(5) The fiscal court of the county may prescribe regulations in regard to the duties of the property clerk and his deputies, and require security for the faithful performance of the duties imposed by this section.

(6) All animals stolen, strayed, lost or confiscated that come into the possession of the property clerk shall be sent to a public pound located within the county, if there is one, or if there is none to a public pound in another county.

(7) No property shall be delivered to the property clerk or his deputy except as provided in this section.

(8) No property shall be disposed of by the property clerk or his deputy except in the manner prescribed by law.

(9) The provisions of this section shall apply in all unincorporated areas of a county and in all cities which do not appoint a property custodian pursuant to Section 3 of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) If any property in the custody of the property custodian is desired as evidence in any court, such property shall be delivered to any officer who presents an order to that effect from the court. Such property shall not be retained by the court, but shall be returned to the property clerk.

(2) All property which has been seized and is forfeited pursuant to law shall be disposed of as provided in the court order of forfeiture.

(3) All property that remains in the custody of the property clerk without any lawful claimant thereto, and which is contraband or which is subject to forfeiture and on which there will be no court action shall be ordered forfeited by the circuit court of the county not less than ninety (90) days after it comes into the possession of the property clerk. The order of forfeiture shall specify the manner of disposition of the property and shall be consistent with applicable provisions of the Kentucky Revised Statutes and federal law. If the property is ordered and sold the proceeds shall go to:

(a) The state if the property was seized by an agency of the state or peace officer thereof;

(b) The county, if the property was seized by the sheriff or an agency or peace officer of the county;

(c) The department of fish and wildlife resources, if the property was seized by a peace officer of the department of fish and wildlife or was seized by any other officer for violation of KRS Chapter 150;

(d) The city, if the property was seized by the city or by an agency or peace officer thereof and the property was delivered to the city property clerk;

(e) The city (ninety percent (90%) of the proceeds) and the sheriff (ten percent (10%) of the proceeds) if the property was seized by the city or by an agency or peace officer thereof and the property was delivered to the sheriff or the county police; or

(f) The state, if the property was seized by any combination of agencies listed above.

(4) All property that remains in the custody of the property custodian without any lawful claimant thereto and which is not subject to the provisions of subsections (2) or (3) of this section may be sold at public auction in a suitable room designated for such purpose, after being advertised pursuant to KRS Chapter 424. The proceeds of such sale shall be paid into the fiscal court to the credit of the agency which has custody of the property. No property shall be sold pursuant to this section unless:

(a) The property has been in custody for not less than ninety (90) days; and

(b) Reasonable efforts have been made by the property clerk or his deputy to ascertain the name of the true owner or lawful claimant of the property and to effect its return to him; and

(c) That the sale of the property is in conformity with applicable state and federal laws and regulations.

SECTION 3. A NEW SECTION OF KRS CHAPTER 82 IS CREATED TO READ AS FOLLOWS:

(1) The mayor of any city which maintains a police department may designate the chief of police as custodian of all property which comes within the purview of Section 1 of this Act which is taken by peace officers or courts within the city limits of said city.

(2) The chief of police may appoint or employ a property clerk and such other persons as may be necessary as deputy property clerks in the same manner and subject to the same conditions as in Sections 1 and 2 of this Act.

(3) Custody and disposition of all property in custody of the property clerk shall be governed by the provisions of Sections 1 and 2 of this Act except that:

(a) The legislative body of the city may prescribe regulations in regard to the duties of the property clerk and his deputies and require security for the faithful performance of the duties imposed by Section 2 of this Act; and

(b) That all property which would be subject to the provisions of subsection (4) of Section 2 of this Act and which is sold as provided therein shall result in the proceeds going to the credit of the police department.

(4) All other provisions of Sections 1 and 2 of this Act shall apply to the city and to the property clerk and deputies in the same manner as they do to the county.

SECTION 4. A NEW SECTION OF KRS CHAPTER 16 IS CREATED TO READ AS FOLLOWS:

(1) Property taken by the Kentucky state police shall be placed with the property officer of the post to which the officer is assigned.

(2) Property which is forfeited may be disposed of as provided by KRS 500.090; however, the proceeds of any sale shall go to the state.

(3) All other property may be disposed of as provided in Sections 1 and 2 of this Act except that all proceeds from any sale shall go to the state.

Section 5. KRS 500.090 is amended to read as follows:

(1) All property which is subject to forfeiture under any section of the Kentucky Penal Code shall be disposed of in accordance with this section.

(a) Property which is forfeited under any section of this code may, upon order of the trial court, be destroyed by the sheriff of the county in which the conviction was obtained.

(b) Property which is forfeited under any section of this code may, upon order of the trial court, be sold at public auction. The expenses of keeping and selling such property and the amount of all valid recorded liens that are established by intervention as being bona fide shall be paid out of the proceeds of the sale. The balance shall be paid to:

1. The state if the property was seized by an agency of the state or peace officer thereof;

2. The county, if the property was seized by the sheriff or an agency or peace officer of the county;

3. The department of fish and wildlife resources, if the property was seized by a peace officer of the department of fish and wildlife or was seized by any other officer for violation of KRS Chapter 150;

4. The city, if the property was seized by the city or by an agency or peace officer thereof and the property was delivered to the city property clerk;

5. The city (ninety percent (90%) of the proceeds) and the sheriff (ten percent (10%) of the proceeds) if the property was seized by the city or by an agency or peace officer thereof and the property was delivered to the sheriff or the county police; or

6. The state, if the property was seized by any combination of agencies listed above [the general fund of the state].

(c) If property which is forfeited under any section of this code is determined by the trial court to be worthless, encumbered with liens in excess of its value, or otherwise a burdensome asset, the court may abandon any interest in such property. Property which is abandoned pursuant to this section shall be returned to the lawful claimant upon payment of expenses for keeping the property.

(d) Property which is forfeited under any section of this code may, upon order of the trial court, be retained for official state use. The expenses for keeping and transferring such property shall be paid by the state.

(2) Money which has been obtained or conferred in violation of any section of this code shall, upon conviction, be forfeited for the use of the state. This subsection shall not apply when, during the course of the proceeding in which the conviction is obtained, the person from whom said money was unlawfully acquired is identified.

(3) Property forfeited under any section of this code shall be disposed of in accordance with this section only after being advertised pursuant to KRS Chapter 424. This subsection shall not apply to property which is designed and suitable only for criminal use or to money forfeited under subsection (2) of this section;

(4) The trial court shall remit the forfeiture of property when the lawful claimant:

(a) Asserts his claim before disposition of the property pursuant to this section;

(b) Establishes his legal interest in the property; and

(c) Establishes that the unlawful use of the property was without his knowledge and consent. Subsection (4) shall not apply to a lienholder of record when the trial court elects to dispose of the property pursuant to subsection (1) (b) of this section.

(5) For purposes of this section, "lawful claimant" means owner or lienholder of record.

(6) Before forfeiture of any property under this section it shall be the duty of the trial court to determine if a lawful owner or claimant to the property has been identified or is identifiable. If a lawful owner or claimant has been identified or is identifiable the court shall notify the owner or claimant that the property is being held and specify a reasonable period of time during which the claim may be made, or may, in lieu thereof, order the return of the property to the lawful owner or claimant. If the lawful owner or claimant does not assert his claim to the property after notification or if he renounces his claim to the property, the property shall be disposed of as provided in this section. It shall be the duty of all peace officers and other public officers or officials having knowledge of the lawful owner or claimant of property subject to forfeiture to report the same to the trial court before the act of forfeiture occurs.

Section 6. KRS 67.590, Designation of custodian of property of indeterminate ownership-Procedure for handling of property; 67.600, Use of property in custody as evidence—Auction of unclaimed property; 95.170, Property clerk—Duties as to stolen or lost property; and 95.180, Use of property as evidence—Disposition of unclaimed property, are repealed.

HB 676, AN ACT relating to liens on fire insurance proceeds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The interest of each person in the proceeds of any policy issued by an insurer, as defined in KRS 304.1-040, providing fire insurance coverage for loss or damages caused by fire on an item of real estate, provided the amount of the proceeds for the loss payable under such policy is ten thousand dollars ($10,000) or more, shall be subject to any tax lien on such item of real estate continued in force pursuant to the provisions of KRS 134.420, and any such lien shall continue in force and apply equally to any fire insurance proceeds arising from a fire loss on such real estate. Any such lien may be discharged in the same manner as a lien filed pursuant to KRS 134.420.

SECTION 2. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) If the state or any county, city or other taxing district has incurred demolition expenses for the abatement of any public or private nuisance or has incurred expenses for the inspection, repair, demolition, removal or other disposition of any real estate damaged by fire, then it shall have the right to recover such expenses from the owner of the real estate for which such expenses were incurred.

(2) The interest of each person in such real estate shall be subject to a lien for the payment of such expenses, which lien shall take precedence over any other encumbrance except state or county, city or other taxing district tax assessments on such real estate. No such lien shall be valid, unless the state or the county, city or other taxing district, within ten (10) days after such work has ceased, files a certificate of such lien in accordance with the provisions of KRS 134.420.

(3) The interest of each person in the proceeds of any policy providing fire insurance coverage issued by an insurer shall be subject to a lien on such proceeds for demolition expenses incurred by the state or any county, city or other taxing district pursuant to the provisions of subsection (1) of this section, provided the state or such county, city or other taxing district, within thirty (30) days, files a certificate of such lien in accordance with KRS 134.420.

(4) Any state or county, city or other taxing district lien existing pursuant to this section may be discharged or dissolved in the same manner as provided for liens filed pursuant to KRS 134.420.

(5) Nothing in this section shall prevent an insured owner, mortgagee, assignee or other interested party from negotiating a dissolution of any such lien on the fire insurance proceeds, enabling the insurer to disburse said proceeds.

SECTION 3. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Each lien filed or existing pursuant to the provisions of this Act shall constitute constructive notice of the existence of the lien and the claim of the state or the county, city or other taxing district against any such interest in such item of real estate or in such proceeds to the insurer and to any person having an insurable interest in the real estate or an interest in the proceeds.

SECTION 4. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Prior to the payment of any insurance proceeds for loss or damage to real estate caused by fire, but within twenty (20) days of the filing of any notice of claim for fire insurance proceeds by an insured, provided the amount of the proceeds for the loss payable under the policy is ten thousand dollars ($10,000) or more, the insurer required to pay such proceeds shall notify the county clerk of the county in which such loss or damage has been sustained and demand in writing, by registered or certified mail, that a statement indicating the amount of all liens existing pursuant to Sections 1 and 2 of this Act be delivered to such insurer at a specified address, in person or by registered or certified mail, within fifteen (15) days from the date of receipt by the county clerk of such demand. Upon the failure of the county clerk to notify the insurer of the existence of any such liens in said manner, the right of the state or the county, city or other taxing district to claim against any such proceeds shall terminate and the lien thereon shall be dissolved. The insurer may rely conclusively upon the amount of the taxes or demolition costs due as set forth in such notice of lien in making any payments of proceeds to any person. The county clerk performing such service shall receive a fee of five dollars ($5.00) from the insurer which shall be in turn deducted by the insurer from any fire insurance proceeds payable to the insured.

(2) Within twenty (20) days of receipt of a notice of lien received from the county clerk pursuant to subsection (1) of this section and a final determination of the insurer's obligation to pay fire insurance proceeds, the insurer shall pay all or a portion of the proceeds otherwise payable to the insured directly to the state or the county, city or other taxing district in satisfaction of the total amount of delinquent real estate taxes or incurred demolition costs as set forth on the statement of lien and shall deduct the amount thereof from the proceeds otherwise payable to the insured. A receipt by the county clerk shall be evidence of payment of such amount by the insurer on account of its liability under its policy to the insured.

SECTION 5. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The liens existing pursuant to Sections 1 and 2 of this Act shall take precedence over any claim of right of an insured owner, mortgagee, assignee or other interested party except as otherwise provided by Section 2 of this Act and by the laws of the United States. The lien existing pursuant to Section 1 of this Act shall take precedence over the lien filed pursuant to Section 2 of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Any county, city or other taxing district may adopt an ordinance or resolution providing for the release or return to the insured of any proceeds subject to a lien, to which it would otherwise be entitled, provided the insured agrees with the county, city or other taxing district to restore the affected premises to at least the same condition that it was in prior to the time that such lien of the county, city or other taxing district arose, subject to such conditions as such ordinance shall provide in order to guarantee performance of such obligation.

SECTION 7. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

An insurer shall not be liable to any insured owner, mortgagee, assignee or other interested party for any amounts paid by it to the state or any county, city or other taxing district pursuant to the provisions of this Act and in reliance upon information contained in any statement provided by the state or any county, city or other taxing district pursuant to Section 4 of this Act. When acting in according with the provisions of this Act, an insurer shall not be held liable in any manner, due to acting in accordance with the provisions hereof, and shall not be deemed in violation of any statute relating to unfair or deceptive acts or practices in the business of insurance for any action taken by it, including delay in or withholding of payment of any insurance proceeds otherwise payable, or for the release or disclosure of any information by it under this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

This Act shall apply to all policies of fire insurance, delivered, issued for delivery, or renewed after the effective date of this Act. Each insurer authorized to do business in this state shall notify its insureds of the provisions of this Act upon issuance or renewal of policies of fire insurance covering real estate located in this state.

SECTION 9. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The provisions of the Act shall not be deemed or construed to alter or impair the right of the state or any county, city or other taxing district to acquire or enforce any lien against real property but shall be in addition to any other right provided by law to acquire or enforce such right.

The Committee Substitute to **HB 676** is as follows:

HB 676, AN ACT relating to liens on fire insurance proceeds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The interest of each person in the proceeds of any policy, except those on single family dwellings, issued by an insurer, as defined in KRS 304.1-040, providing fire insurance coverage for loss or damages caused by fire on an item of real estate, provided the amount of the proceeds for the loss payable under such policy is ten thousand dollars ($10,000) or more, shall be subject to any tax lien on such item of real estate continued in force pursuant to the provisions of KRS 134.420, and any such lien shall continue in force and apply equally to any fire insurance proceeds arising from a fire loss on such real estate. Any such lien may be discharged in the same manner as a lien filed pursuant to KRS 134.420.

SECTION 2. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Prior to the payment of any insurance proceeds for loss or damage to real estate caused by fire, but within twenty (20) days of the filing of any notice of claim for fire insurance proceeds by an insured, provided the amount of the proceeds for the loss payable under the policy is ten thousand dollars ($10,000) or more, the insurer required to pay such proceeds shall notify the county clerk of the county in which such loss or damage has been sustained and demand in writing, by registered or certified mail, that a statement indicating the amount of all liens existing and referred to by this Act be delivered to such insurer at a specified address, in person or by registered or certified mail, within fifteen (15) days from the date of receipt by the county clerk of such demand. Upon the failure of the county clerk to notify the insurer of the existence of any such liens in said manner, the right of the state or the county, city or other taxing district to claim against any such proceeds shall terminate and the lien as to said proceeds shall no longer be effective. The insurer may rely conclusively upon the amount of the taxes due as set forth in such notice of lien in making any payments of proceeds to any person. The county clerk performing such service shall receive a fee of five dollars ($5.00) from the insurer.

(2) Within twenty (20) days of receipt of a notice of lien received from the county clerk pursuant to this Act and a final determination of the insurer's obligation to pay fire insurance proceeds, the insurer shall pay all or a portion of the proceeds otherwise payable to the insured directly to the state or the county, city or other taxing district in satisfaction of the total amount of delinquent real estate taxes as set forth on the statement of lien and shall deduct the amount thereof from the proceeds otherwise payable to the insured. A receipt by the county clerk or taxing authority shall be evidence of payment of such amount by the insurer on account of its liability under its policy to the insured.

SECTION 3. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The liens existing pursuant to this Act shall take precedence over any claim of right of an insured owner, mortgagee, assignee or other interested party except as otherwise provided by the laws of the United States.

SECTION 4. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

An insurer shall not be liable to any insured owner, mortgagee, assignee or other interested party for any amounts paid by it to the state or any county, city or other taxing district pursuant to the provisions of this Act and in reliance upon information contained in any statement provided by the state or any county, city or other taxing district pursuant to this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

This Act shall apply to all policies of fire insurance, excluding policies on single family dwellings delivered, issued for delivery, or renewed after the effective date of this Act. Each insurer authorized to do business in this state shall notify its insureds of the provisions of this Act upon issuance or renewal of policies of fire insurance covering real estate located in this state.

SECTION 6. A NEW SECTION OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The provisions of the Act shall not be deemed or construed to alter or impair the right of the state or any county, city or other taxing district to acquire or enforce any lien against real property but shall be in addition to any other right provided by law to acquire or enforce such right.

The Committee on Judiciary reported **HB 249,** with Second Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Second Committee Substitute to **HB 249** is as follows:

HB 249, AN ACT relating to the criminally insane.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

The bureau of corrections shall administer a program of care for individuals who have been convicted of a crime in spite of pleading "not guilty" by reason of insanity.

SECTION 2. A NEW SECTION OF KRS CHAPTER 202A IS CREATED TO READ AS FOLLOWS:

Any person convicted of a crime after having pled not guilty by reason of insanity shall be sent to a facility for the criminally insane provided it is determined by the trial judge from the evidence adduced at the trial, but not limited thereto, that such person is mentally insane. Such person shall remain in a facility for the criminally insane until he is "cured" of his mental illness and is not a threat to society. Such person shall be deemed "cured" of his mental illness subsequent to being thoroughly examined by two (2) licensed psychiatrists and a licensed medical doctor, all of whom agree that the patient is not a threat to society. If and when such person is deemed "cured" under this section, he shall be returned to the trial court to be considered for probation and conditional discharge pursuant to KRS Chapter 439, or in the discretion of the court, may be remanded to the bureau of corrections to serve the sentence imposed.

SECTION 3. A NEW SECTION OF KRS CHAPTER 29A IS CREATED TO READ AS FOLLOWS:

During the trial of a person who pleads not guilty by reason of insanity the trial judge shall include in his charge to the jury an instruction stating that if the defendant is acquitted by reason of insanity, he will be confined in an institution for the mentally ill pursuant to Rule 9.90 of the Kentucky Rules of Criminal Procedure.

The Committee on Transportation reported **HB 99** with Committee Substitute attached thereto, **HB 426** with Committee Substitute attached thereto, **HB 821** with Committee Substitute attached thereto, and **HB 969** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 99, AN ACT relating to motor vehicle titles and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The term "department" shall mean the department of transportation of the Commonwealth of Kentucky.

(2) The term "dealer" shall mean a person licensed pursuant to KRS Chapter 190 as a retail motor vehicle dealer and engaged regularly in the business of buying, selling or exchanging motor vehicles in this state, and having in this state an established place of business.

(3) The term "designated agent" shall mean each county clerk in this state authorized and required by law to issue motor vehicle license tags, who may perform his duties under this Act personally or through his deputies, or such other persons as the department may designate; the term shall also mean those "dealers" as herein defined who are appointed by the department as herein provided in Section 4(3) of this Act hereof to perform the duties of "designated agent" for the purposes of this Act; such "dealers" may perform their duties under this Act either personally or through any of their officers or employes.

(4) The term "implement of husbandry" shall mean every vehicle designed and adapted exclusively for agricultural, horticultural or livestock raising operations or for lifting or carrying an implement of husbandry and in either case not subject to licensing or registration if used upon the highways.

(5) The term "vehicle identification number" shall mean the numbers and letters on a vehicle designated by the manufacturer or assigned by the department for the purpose of identifying the vehicle.

(6) The term "lien" means every kind of written lease which is substantially equivalent to an installment sale or which provides for a right of purchase; conditional sale; reservation of title, deed of trust; chattel mortgage; trust receipt; and every written agreement or instrument of whatever kind of character whereby an interest other than absolute title is sought to be held or given on a motor vehicle.

(7) The term "lienholder" shall mean any person, firm, copartnership, association, or corporation holding a lien as herein defined on a motor vehicle.

(8) The term "manufacturer" shall mean any person regularly engaged in the business of manufacturing, constructing, assembling, importing or distributing new motor vehicles, either within or without this state.

(9) The term "motor vehicle" shall include:

(a) Every automobile, motorcycle, mobile trailer, semi-trailer, truck, truck tractor, trailer and other device which is self-propelled or drawn, in, upon or by which any person or property is or may be transported or drawn upon a public highway except such as is moved by animal power or used exclusively upon stationary rails or tracks;

(b) Every mobile home, trailer coach, travel trailer and house trailer manufactured upon a chasses or undercarriage as an integral part thereof drawn by a self-propelled vehicle.

(10) The term "new vehicle" shall mean a motor vehicle which has never been the subject of a first sale for use.

(11) The term "used vehicle" shall mean a motor vehicle that has been the subject of a first sale for use, whether within this state or elsewhere.

(12) The term "owner" shall mean a person, other than a lienholder, having the property in or title to a vehicle. The term includes a person entitled to the use and possession of a vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security.

(13) The term "person" shall include every natural person, firm, copartnership, association or corporation.

(14) The term "pole trailer" shall mean every vehicle without motive power designed to be drawn by another vehicle and attached to the towing vehicle by means of a reach or pole, or by being boomed or otherwise secured to the towing vehicle, and ordinarily used for transporting long or irregularly shaped loads such as logs, poles, pipes, boats, or structural members capable generally of sustaining themselves as beams between the supporting connections.

(15) The term "security agreement" shall mean a written agreement which reserves or creates a security interest.

(16) The term "security interest" shall mean an interest in a vehicle reserved or created by agreement and which secures payment or performance of an obligation. The term includes the interest of a lessor under a lease intended as security. A security interest is "perfected" when it is valid against third parties generally, subject only to specific statutory exceptions.

(17) The term "special mobile equipment" shall mean every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: ditch-digging apparatus, well-boring apparatus and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earthmoving carryalls and scrapers, power shovels and draglines, and self-propelled cranes, and earthmoving equipment. The term does not include house trailers, dump trucks, truck-mounted transit mixers, cranes or shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

(18) The term "nonresident" shall mean every person who is not a resident of this state.

(19) The term "current address" shall mean a new address different from the address shown on the application or on the certificate of title. The owner shall within thirty (30) days after his address is changed from that shown on the application or on the certificate of title notify the department of the change of address in the manner prescribed by the department.

(20) The word "state" shall mean a state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico or a province of the Dominion of Canada.

(21) The term "moped" shall mean a pedal bicycle with a helper motor rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged and capable of a maximum speed of not more than thirty (30) miles per hour.

SECTION 2. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in Section 3 of this Act, every owner of a motor vehicle designated a 1982 year model, and any model subsequent thereto which is in this state and which is required to be registered under the motor vehicle laws of this state and for which no certificate of title has been issued by the department, shall make application to a designated agent as herein defined for a certificate of title to the vehicle.

(2) Any dealer, acting for himself or another, who sells, trades or otherwise transfers any vehicle required to be titled under this Act shall comply with the provisions of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No certificate of title need be obtained for:

(1) A vehicle owned by the United States or any agency thereof;

(2) A vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used for purposes of testing or demonstration, or a vehicle used by a manufacturer solely for testing;

(3) A vehicle owned by a nonresident of this state and not required by law to be registered in this state;

(4) A vehicle primarily engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state and is required to be registered in Kentucky by reason of operational requirements or fleet prorational agreements;

(5) A vehicle moved solely by animal power;

(6) An implement of husbandry;

(7) Special mobile equipment;

(8) A pole trailer;

(9) Mopeds.

SECTION 4. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Each county clerk in this state authorized and required by law to issue motor vehicle license tags shall by virtue of his office be a designated agent of the department. Such county clerk may perform duties under this Act either personally or through any of his deputies.

(2) Every dealer as defined herein may be a designated agent of the department. Such dealers may perform their duties under this Act either personally or through any of their officers or employes, provided that such dealer or persons shall enter into a bond with a corporate surety authorized to do business in this state as surety thereon, payable to the state of Kentucky in a sum to be determined by the department, but in no event less than five thousand dollars ($5,000), conditioned on the faithful performance of their duties under this Act.

(3) The department may appoint other persons as its designated agents, provided that such appointee shall enter into a bond as provided in subsection (2) of this section.

SECTION 5. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The application for the first certificate of title of a vehicle in this state shall be made by the owner to a designated-agent, on the form the department prescribes, and shall contain:

(a) The name, current residence and mailing address of the owner;

(b) A description of the vehicle including the following data: year, make, model, vehicle identification number, type of body, the number of cylinders, and whether new or used;

(c) The date of purchase by applicant, the name and address of the person from whom the vehicle was acquired, and the names and addresses of any lienholders in the order of their priority and the dates of their security agreements; and

(d) Such other information as the department may require.

(2) If the application is for a vehicle purchased from a dealer, it shall contain the name and address of any lienholder holding a security interest created or reserved at the time of the sale and the date of his security agreement and must be signed by the dealer as well as the owner, and the designated agent shall promptly mail or deliver the application to the department.

(3) If the application is for a new vehicle, it shall be accompanied by the certified manufacturer's certificate of origin showing proper assignments to the applicant. The manufacturer upon the shipment of a motor vehicle into this state shall forthwith furnish the dealer with such a certified statement of origin.

(4) Each application shall contain or be accompanied by the certificate of a designated agent that the vehicle has been physically inspected by him; that the vehicle identification number and descriptive data

shown on the application, pursuant to the requirements of subsection (1)(b) of this section, are correct, and that he identified the person signing the application and witnessed the signature.

(5) If the application is for a first certificate of title on a vehicle other than a new vehicle, then the application shall conform with the requirements of this section except that in lieu of the manufacturer's certificate of origin, the application shall be accompanied by a copy of the notarized bill of sale of said motor vehicle whereby the applicant claims title or in lieu thereof certified copies of the last two (2) years' license tag and tax receipts and such other information as the department may reasonably require to identify the vehicle and to enable the department to determine the ownership of the vehicle and the existence or nonexistence of security interests in it.

(6) If the application refers to a vehicle last previously registered in another state or country, the application shall contain or be accompanied by:

(a) Any certificate of title issued by the other state or country; and

(b) Such other information and documents as the department may reasonably require to establish the ownership of the vehicle and the existence or nonexistence of security interests in it.

(c) The certificate of a designated agent that the vehicle has been physically inspected by him, that the vehicle identification number and descriptive data shown on the application pursuant to subsection (1)(b) of this section are correct and such other proof of the identity of the vehicle as the department may reasonably require.

(7) Every designated agent within this state shall, no later than the next business day after an application is received by him, forward the same to the department by mail, postage prepaid, with such other evidence of title as may have been delivered to him by the application, along with the required fee as hereinafter provided.

SECTION 6. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The department upon receiving an application for certificate of title shall check the vehicle identification number shown in the application against the record of stolen or converted vehicles maintained by it.

(2) The department shall examine each application received and, when satisfied that the applicant is entitled to the issuance of a certificate of title, shall issue a certificate of title to the vehicle on the form prescribed by the department.

(3) The department shall maintain a record of all certificates of title issued pursuant to the provisions of this Act:

(a) Under a distinctive title number assigned to the vehicle;

(b) Under the vehicle identification number;

(c) Under the name of the owner; and

(d) In the discretion of the department, by any other method the department determines.

SECTION 7. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The rules and regulations promulgated by the department shall make suitable provisions for the use by an applicant of the duplicate copy of his application for a certificate of title to serve as a permit for the operation of the motor vehicle described in the application until the department either issues the certificate of title of such motor vehicle or refuses to issue the certificate; and every designated agent receiving an application for the certificate of title, when the provisions of this Act have been otherwise complied with, shall deliver to the applicant the duplicate copy of his application which shall contain a suitable permit for the purposes mentioned in this subsection.

(2) In the event the department refuses to issue the certificate of title, the applicant shall, immediately upon receiving written notice from the department that such certificate will not be issued for the reason or reasons stated in the notice, deliver or mail to the department by certified mail the duplicate copy of his application containing the permit mentioned in subsection (1) of this section and the current license tag which was issued for the vehicle; and the motor vehicle described in said application shall not be operated on the highways or other public places of this state after the applicant receives notice that the certificate will not be issued unless its operation is subsequently authorized by the department either by the issuance of a new permit or certificate of title. If for any reason the said duplicate copy of the application for certificate of title and the current license tag which were issued for the vehicle in question are not received by the department within ten (10) calendar days after the department mails written notice to the applicant that it will not issue the certificate of title applied for, the department, or, at the request of the department, any state policeman, sheriff, highway enforcement officer, or other peace officer of this state, is authorized and empowered to and shall require and compel the surrender of said duplicate copy of the application for certificate of title and the said current license tag; and the department, after it obtains possession of said duplicate copy of application for certificate of title and said current license tag, is authorized to retain same until it is satisfied that said applicant is entitled to receive a certificate of title to the vehicle in question.

SECTION 8. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Each certificate of title issued by the department shall contain:

(a) The date issued;

(b) The name and current address of the owner;

(c) The names and addresses of any lienholders in the order of priority as shown on the application, or if the application is based on a certificate of title, as shown on the certificate;

(d) The title number;

(e) A description of the vehicle including the following data: year, make, model, vehicle identification number, type of body, number of cyclinders, whether new or used, and if a new vehicle the date of the first sale of the vehicle for use; and

(f) Any other data the department prescribes.

(2) Unless security is furnished as provided in Section 10 of this Act, a distinctive certificate of title shall be issued for a vehicle last previously registered in another state or country, the laws of which do not require that lienholders be named on a certificate of title to perfect their security interests. The certificate shall contain the legend, "This vehicle may be subject to an undisclosed lien" and may contain any other information the department prescribes. If no notice of a security interest in the vehicle is received by the department within four (4) months from the issuance of the distinctive certificate of title, the department shall, upon application and surrender of the distinctive certificate, issue a certificate of title in ordinary form.

(3) The certificate of title shall contain forms for assignment and warranty of title by the owner, and for assignment and warranty of title by a dealer, and may contain forms for applications for a certificate of title by a transferee, the naming of a lienholder and the assignment or release of the security interest by a lienholder.

(4) A certificate of title issued by the department is prima facie evidence of the facts appearing on it.

(5) A certificate of title to a vehicle is not subject to garnishment, attachment, execution or other judicial process, but this subsection does not prevent a lawful levy upon the vehicle.

SECTION 9. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The certificate of title shall be mailed to the first lienholder named in it or, if none, to the owner. A nontransferable duplicate certificate of title shall be mailed to the owner to serve as a permit for the operation of the motor vehicle.

SECTION 10. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

If the department is not satisfied as to the ownership of the vehicle or that there are no undisclosed security interests in it, the department may accept the application but shall either:

(1) Withhold issuance of a certificate of title until the applicant presents documents reasonably sufficient to satisfy the department as to the applicant's ownership of the vehicle and that there are no undisclosed security interests on it; or

(2) As a condition of issuing a certificate of title, require the applicant to file with the department a bond in the form prescribed by the department and executed by the applicant, and either accompanied by the deposit of cash with the department or also executed by a person authorized to conduct a surety business in this state. The bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the department and conditioned to indemnify any prior owner and lienholder and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of title of the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions; but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of three (3) years or prior thereto if the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered to the department, unless the department has been notified of the pendency of any action to recover on the bond.

SECTION 11. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The department shall refuse issuance of certificate of title if any required fee is not paid or if the department has reasonable grounds to believe that:

(1) The applicant is not the owner of the vehicle;

(2) The application contains a false or fraudulent statement; or

(3) The applicant fails to furnish required information or documents or any additional information the department reasonably requires.

SECTION 12. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) If a certificate of title is lost, stolen, mutilated or destroyed or becomes illegible, the first lienholder or, if none, the owner or legal representative of the owner named in the certificate, as shown by the records of the department, shall promptly make application for and may obtain a replacement upon furnishing information satisfactory to the department and payment of the fee as hereinafter required. The replacement certificate of title shall contain the legend, "This is a replacement certificate and may be subject to the rights of a person under the original certificate." It shall be mailed to the first lienholder named in it, or, if none, to the owner.

(2) The department shall not issue a new certificate of title to a transferee upon application made on a replacement certificate until fifteen (15) days after receipt of the application.

(3) A person recovering an original certificate of title for which a replacement has been issued shall promptly surrender the original certificate to the department.

SECTION 13. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) If an owner transfers his interest in a vehicle, other than by the creation of a security interest, he shall, at the time of the delivery of the vehicle, execute an assignment and warranty of title to the transferee in the space provided therefor on the certificate or as the department prescribes, and cause the certificate and assignment to be mailed or delivered to the transferee or to the department.

(2) Except as provided in Section 14 of this Act, the transferee shall, promptly after delivery to him of the vehicle, execute the application for a new certificate of title in the space provided therefor on the certificate or as the department prescribes, and cause the certificate and application to be mailed or delivered to a designated agent.

(3) Upon request of the owner or transferee, a lienholder in possession of the certificate of title shall, unless the transfer was a breach of his security agreement, deliver the certificate to the transferee. Upon receipt of the certificate the transferee shall make application to a designated agent for a new certificate. The delivery of the certificate does not affect the rights of the lienholder under his security agreement.

(4) If a security interest is reserved or created at the time of the transfer, the certificate of title shall be retained by or delivered to the person who becomes the lienholder and the parties shall comply with the provisions of Section 20 of this Act.

(5) Except as provided in Section 14 of this Act, and as between the parties, a transfer by an owner is not effective until the provisions of this section have been complied with.

SECTION 14. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) If a dealer buys a vehicle and holds it for resale and procures the certificate of title from the owner or the lienholder within fifteen (15) days after delivery to him of the vehicle, he need not send the certificate to the department but, upon transferring the vehicle to another person other than by the creation of a security interest, shall promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any lienholder holding a security interest created or reserved at the time of the resale and the date of his security agreement, in the spaces provided therefor on the certificate or as the department prescribes, and mail or deliver the certificate to a designated agent with the transferee's application for a new certificate.

(2) Every dealer shall maintain for five (5) years a record in the form the department prescribes of every vehicle bought, sold or exchanged by him or received by him for sale or exchange, which shall be open to inspection by representatives of the department and law enforcement officers during reasonable business hours.

SECTION 15. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) If the interest of an owner in a vehicle passes to another other than by voluntary transfer, the transferee shall, except as hereinafter provided in subsection (2) of this section, promptly mail or deliver to a designated agent the last certificate of title, if available, and proof of the transfer, together with his application for a new certificate in the form the department prescribes.

(2) If the interest of the owner is terminated or the vehicle is sold under a security agreement by a lienholder named in the certificate of title, the transferee shall promptly make application to a designated agent for a new certificate in the form the department prescribes. The application shall be accompanied by the last certificate of title and an affidavit made by or on behalf of the lienholder that the vehicle was repossessed and that the interest of the owner was lawfully terminated or sold pursuant to the terms of the security agreement. If the lienholder succeeds to the interest of the owner and holds the vehicle for resale, he need not secure a new certificate of title but, upon transfer to another person, shall promptly mail or deliver to the transferee the certificate, affidavit and other documents required by the department. The transferee shall promptly make application to a designated agent for a new certificate in the form prescribed by the department.

(3) Notwithstanding anything to the contrary contained in this section, a person holding a certificate of title whose interest in the vehicle has been extinguished or transferred other than by voluntary transfer shall forthwith mail or deliver the certificate to the department upon request of the department; and the delivery of the certificate pursuant to the request of the department does not affect the rights of the person surrendering the certificate; and the action of the department in issuing a new certificate of title as provided herein is not conclusive upon the rights of an owner or lienholder named in the old certificate.

SECTION 16. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The department, upon receipt of a properly assigned certificate of title, with an application for a new certificate of title, the required fee and any other documents required by the department, shall issue a new certificate of title in the name of the transferee as owner and mail it to the first lienholder named in it or, if none, to the owner.

(2) The department, upon receipt of an application for a new certificate of title by a transferee other than by voluntary transfer, with proof of the transfer, the required fee and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner. If the outstanding certificate of title is not delivered to the department, the department shall make demand therefor from the holder thereof.

(3) A transferor of a vehicle other than a dealer transferring a new vehicle shall deliver to the transferee at the time of the delivery of possession of the vehicle the license plate for the vehicle. Provided, however, the license plate does not have to be delivered where a provision of law allows such plate to be retained by the owner of the vehicle.

(4) The department shall file every surrendered certificate of title, or a microfilm of every such certificate, for a period of time deemed necessary by it in order to permit the tracing of title of the vehicle designated therein.

SECTION 17. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Each owner of a motor vehicle and a person who acquires a motor vehicle from an owner who scraps, dismantles, destroys or changes the motor vehicle in such a manner that it is not the same motor vehicle described in the certificate of origin, certificate of title or salvage certificate of title shall within seventy-two (72) hours cause the certificate of origin, certificate of title or salvage certificate of title, license plates, if any, and any other documents or information required by the department to be mailed or delivered to the department for processing. The department shall, with the consent of any holder of liens noted on the surrendered certificate, enter a cancellation upon its records. Upon cancellation of a certificate of origin, certificate of title or salvage certificate of title in the manner prescribed by this section, the department shall cancel all certificates of origin, certificates of title or salvage certificates of title and all memorandum certificates in that chain of title.

(2) When the frame or engine is removed from a motor vehicle and not immediately replaced by another frame or engine, or when an insurance company has paid money as compensation for a total loss of any motor vehicle, such motor vehicle shall be considered to be salvage. The owner of every motor vehicle in which total loss or salvage has occurred shall, within seventy-two (72) hours after such total loss or salvage occurs, forward to the department the certificate of origin or certificate of title to the motor vehicle along with its license plates, whereupon the department shall process the certificate or origin or certificate of title and plates in a manner prescribed by law or regulation. An insurance company which pays money as compensation for total loss of a motor vehicle shall obtain such vehicle's certificate of origin or certificate of title and license plates and, within seventy-two (72) hours after receiving them, shall forward them to the department for processing. In the event the payment was made because of the theft of the vehicle, which shall be considered a total loss as defined in this section, the insurance company shall, in addition to forwarding the properly assigned certificate of origin or certificate of title as provided herein, forward the vehicle's license plates to the department as soon as practicable after the vehicle is recovered. However, the license plates need not be surrendered when a stolen motor vehicle is recovered in substantially intact condition and is readily resalable without extensive repairs. When a stolen motor vehicle has been reported to the department in compliance with this section and is later recovered, the department shall have the vehicle physically inspected by a law enforcement officer. If the surrendered certificate of origin or certificate of title was properly assigned to an insurance company the department may return the surrendered certificate of origin or certificate of title to the insurance company reflected in the assignment or issue a new certificate of title in the name of the insurance company without fee.

(3) The department may issue a salvage certificate of title without fee to replace a certificate of origin or certificate of title required to be surrendered by this section and prescribe necessary forms and procedures for its use.

(4) If an insurance company acquires a motor vehicle in settlement of an insurance claim and holds the vehicle for resale and procures the certificate of origin or certificate of title from the owner or lienholder

within fifteen (15) days after delivery of the vehicle to the insurance company, and if the vehicle was not a total loss as defined by this section, the insurance company need not send the certificate of origin or certificate of title to the department but, upon transferring the vehicle to another person other than by the creation of a security interest the insurance company shall complete an affidavit of acquisition and disposition of the motor vehicle on a form prescribed by the department and deliver the certificate of origin or certificate of title, affidavit and any other documents required by the department to the transferee at the time of the delivery of the motor vehicle.

(5) For the purposes of this section, a total loss shall occur when the insurer pays to any person seventy-five percent (75%) or more of the retail market value, at the time of loss, of a motor vehicle as compensation for restoring the wrecked or damaged vehicle to the same quality and condition as existed before it was wrecked or damaged or for replacing the wrecked or damaged vehicle with one of like kind and quality. The compensation for total loss as defined in this subsection shall not include payments by an insurer for medical care, bodily injury, vehicle rental or for anything other than the amount paid for the actual damage to the motor vehicle.

(6) It shall be unlawful for the owner of any junkyard, scrap metal processing plant, salvage yard, or motor vehicle dismantler and parts recycler or his agents or employes to have in their possession any motor vehicle which is junk or salvage or a total loss when the manufacturer's vehicle identification number plates, authorized replacement vehicle identification number plates or serial plates have been removed, unless previously required to be removed by a statute of law of this state or another jurisdiction, and when the motor vehicle license plates have not been removed therefrom in accordance with the provisions of this section.

(7) It shall be unlawful for any person, firm or corporation to possess, sell or exchange, offer to sell or exchange, or to give away any certificate of origin, certificate of title, salvage certificate of title, manufacturer's identification number plates, authorized replacement vehicle identification number plates, serial plates or motor vehicle license plates of any motor vehicle which has been scrapped, dismantled or sold as junk, salvage or as a total loss contrary to the provisions of this section.

SECTION 18. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

This Act does not apply to or affect:

(1) A lien given by statute or rule of law to a supplier of services or materials for the vehicle;

(2) A lien given by statute to the United States, this state or any political subdivision of this state;

(3) A security interest in a vehicle created by a manufacturer or dealer who holds the vehicle for sale, but a buyer in the ordinary course of trade from the manufacturer or dealer takes title free of the security interest.

SECTION 19. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Unless excepted by Section 18 of this Act, a security interest in a vehicle for which a certificate of title is required by the terms of this Act is not valid against creditors of the owner or subsequent transferees or lienholders of the vehicle unless perfected as provided in this Act.

(2) A security interest is perfected by the delivery to the department of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the lienholder and the date of his security agreement, and the required fee. It is perfected as of the time of its creation if the delivery is completed within ten (10) days thereafter, otherwise, as of the time of the delivery.

(3) If a vehicle is subject to a security interest when brought into this state, the validity of the security interest is determined by the law of the jurisdiction where the vehicle was when the security interest attached, subject to the following:

(a) If the parties understood at the time the security interest attached that the vehicle would be kept in this state and it was brought into this state within thirty (30) days thereafter for purposes other than transportation through this state, the validity of the security interest in this state is determined by the law of this state.

(b) If the security interest was perfected under the law of the jurisdiction where the vehicle was when the security interest attached, the following rules apply:

1. If the name of the lienholder is shown on an existing certificate of title issued by that jurisdiction his security interest continues perfected in this State.

2. If the name of the lienholder is not shown on an existing certificate of title issued by that jurisdiction the security interest continues perfected in this state for four (4) months after a first certificate of title of the vehicle is issued in this state, and also thereafter if within the four-month period it is perfected in this state. The security interest may also be perfected in this state after the expiration of the four-month period; in that case perfection dates from the time of perfection in this state.

(c) A security interest may be perfected under subsection (3)(b)2. of this section, either as provided in subsection (2) of this section or by the lienholder mailing or delivering to a designated agent or to the department a notice of security interest in the form the department prescribes together with documents to support the security interest as required by the department and the required fee.

SECTION 20. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The owner shall immediately execute the application in the space provided therefor on the certificate of title, or on a separate form the department prescribes to name the lienholder on the certificate showing the name and address of the lienholder and the date of his security agreement, and cause the certificate, application and the required fee to be delivered to the lienholder.

(2) The lienholder shall immediately cause the certificate, application and required fee to be mailed or delivered to the department.

(3) Upon request of the owner or subordinate lienholder, a lienholder in possession of the certificate of title shall either mail or deliver the certificate to the subordinate lienholder for delivery to the department, or, upon receipt from the subordinate lienholder of the owner's application and the required fee, mail or deliver them to the department with the certificate. The delivery of the certificate does not affect the rights of the lienholder under his security agreement.

(4) Upon receipt of the certificate of title, application and the required fee, the department shall either endorse on the certificate or issue a new certificate containing the name and address of the new lienholder, and mail the certificate to the first lienholder named in it.

SECTION 21. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) A lienholder may assign, absolutely or otherwise, his security interest in the vehicle to a person other than the owner without affecting the interest of the owner or the validity of the security interest, but any person without notice of the assignment is protected in dealing with the lienholder as the holder of the security interest and the lienholder remains liable for any obligations as lienholder until the assignee is named as lienholder on the certificate in the manner prescribed by the department.

(2) The department shall file each assignment received by the department with the required fee, and note the assignee as lienholder upon the record of notices of security interests maintained by the department.

SECTION 22. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the lienholder, he shall, within ten (10) days after demand execute a release of his security interest, in the space provided therefor on the certificate or as the department prescribes, and mail or deliver the certificate and release to the next lienholder named therein, or, if none, to the owner or any person who delivers to the lienholder an authorization from the owner to receive the certificate. The owner, other than a dealer holding the vehicle for resale, shall promptly cause the certificate and release to be mailed or delivered to the department, which shall release the lienholder's rights on the certificate or issue a new certificate.

(2) Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of a prior lienholder, the liehnholder whose security interest is satisfied shall within ten (10) days after demand execute a release in the form the department prescribes and deliver the release to the owner or any person who delivers to the lienholder an authorization from the owner to receive it. The lienholder in possession of the certificate of title shall either deliver the certificate to the owner, or the person authorized by him, for delivery to the department, or, upon receipt of the release, mail or deliver it with the certificate to the department which shall release the subordinate lienholder's rights on the certificate or issue a new certificate.

(3) Upon receipt of the releases of security interests mentioned in subsections (1) and (2) of this section, the department shall file each release in the manner prescribed by the department and note the same upon the records of notices of security interests maintained by it.

SECTION 23. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

A lienholder named in a certificate of title shall, upon written request of the owner or of another lienholder named on the certificate, disclose any pertinent information as to his security agreement and the indebtedness secured by it.

SECTION 24. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The method provided in this Act of perfecting and giving notice of security interest in motor vehicles required to be titled under the terms hereof or titled under the terms hereof, shall be exclusive.

(2) Security interests in motor vehicles required to be titled or which are titled under this Act, are hereby exempted from the provisions of law which otherwise require the filing or recording of financing statements or of other instruments creating or evidencing security interests.

(3) Security interests in motor vehicles not required to be titled under this Act or not titled under the terms hereof, which are perfected under any other applicable laws of this state shall not be affected by this Act but shall continue in all respects to be governed by such other laws of this state.

SECTION 25. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The department shall suspend or revoke a certificate of title, upon notice and reasonable opportunity to be heard in accordance with Section 27 of this Act, when authorized by any other provision of law or if it finds:

(a) The certificate of title was fradulently procured or erroneously issued, or

(b) The vehicle has been scrapped, dismantled or destroyed.

(2) Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

(3) When the department suspends or revokes a certificate of title, the owner or person in possession of it shall, immediately upon receiving notice of the suspension or revocation, mail or deliver the certificate to the department.

(4) Should any person fail to comply with the provisions of subsection (3) of this section, the department shall seize and impound the certificate of title which has been revoked. It shall also be the duty of any peace officer, on notification to him by the department of the failure of a person to mail or deliver a revoked certificate of title to the department, to seize and mail or deliver to the department the revoked certificate of title.

SECTION 26. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The department shall prescribe and provide suitable forms of applications, certificates of title, notices of security interests, and all other notices and forms necessary to carry out the provisions of this Act.

(2) The department may:

(a) Make necessary investigations to procure
information required to carry out the provisions of this Act.

(b) Adopt and enforce reasonable rules and regulations to carry out the provisions of this Act.

(c) Assign a new identification number to a vehicle if it has none, or its identification number is destroyed or obliterated, or its motor is changed, and shall either issue a new certificate of title showing the new identification number or make an appropriate endorsement on the original certificate.

(d) Revoke the authority of a dealer or other person appointed by the department to act as a designated agent hereunder when it finds that such dealer or other person has failed to faithfully perform his duties under this Act.

(3) The department shall make available information concerning the status of a title on any vehicle as reflected by the records in a manner prescribed by the department. Such information supplied by the department shall be considered official only if in writing. The department shall charge the fees as set forth in Section 31 of this Act, provided, however, that no fee shall be charged Kentucky law enforcement agencies or law enforcement agencies of any other state when such state furnishes like or similar information without charge to the department or to Kentucky law enforcement agencies.

SECTION 27. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

A person aggrieved by an act or omission to act of the department under this Act is entitled to a hearing. Such person shall within sixty (60) days of such act or omission to act protest in writing the act or omission to act by which he is aggrieved, request the department to take appropriate action to remedy such act or omission to act, state the grounds on which the request is based and request a hearing of the protest. On receipt of such protest the Department shall, if it finds the protest justified, comply forthwith with the request. If the department is of the opinion that the written protest is not sufficient to justify compliance with the request, a hearing of the matter shall be set before the department and notice thereof shall be given to the aggrieved person by registered or certified mail, return receipt requested. The hearing may be continued from time to time as deemed to be appropriate by the department. The aggrieved person may make an appearance by written statement, in person or by attorney or agent. The department shall make such rules for the conduct of the hearing as deemed by it to be appropriate and necessary. At the conclusion of the hearing the department shall within ten (10) days notify the aggrieved person in writing of its determination of the matter.

SECTION 28. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

An aggrieved person who has filed a protest in accordance with the provisions of Section 27 of this Act not being satisfied with the determination made by the department may request review of the matter by the circuit court of the county in which he resides, or in which the vehicle involved is licensed, or in which the act or omission to act occurred. The court review shall be instituted by filing a petition for a hearing of the matter in the circuit court within thirty (30) days after receipt from the department of notice of its determination of the matter. Such court is hereby vested with jurisdiction and it shall be its duty to set the matter for hearing with written notice to the department, and thereupon to take testimony and examine into the facts of the case and determine whether the petitioner is entitled to relief and if so to grant it. Either the state or the aggrieved person may appeal to the Kentucky court of appeals within thirty (30) days from the rendition of a judgment by the circuit court.

SECTION 29. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

If the department is not satisfied that there are no undisclosed security interests created before this Act takes effect in a previously registered vehicle, the department may, in addition to the department's options under Section 10 of this Act, issue a distinctive certificate of title of the vehicle containing the legend, "This vehicle may be subject to an undisclosed lien" and containing any other information the department prescribes.

SECTION 30. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The department shall file each notice of security interest received by the department with the required fee and maintain a record of all notices of security interests filed by the department:

(a) Alphabetically, under the name of the owner;
(b) Under the vehicle identification number;
(c) Under the certificate of title number; and
(d) In the discretion of the department, by any other method it determines.

(2) The department before issuing or reissuing a certificate of title shall check the name of the owner and the certificate of title number of the vehicle against the record provided for in subsection (1) of this section.

SECTION 31. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) There shall be paid to the department for issuing and processing documents required by this Act fees according to the following schedule:

(a) Each application for certificate of title	$7.00
(b) Each application for replacement or corrected certificate of title	$3.00
(c) Each notice of security interest	$3.00
(d) Each assignment by lienholder	$3.00
(e) Each application for ordinary certificate of title upon surrender of a distinctive certificate	$3.00
(f) Each application for information as to the status of the title of a vehicle	$1.00

(2) The designated agents shall add the sum of one dollar ($1.00) to each department of transportation document processed for which a fee is charged, to be retained as his commission for services rendered, and all other fees collected shall be remitted to the department.

(3) If more than one (1) transaction be involved in any application on a single vehicle and if supported by all required documents, the fee charged by the department and by the designated agent for processing and issuing shall be considered as only one (1) transaction for which the designated agent shall receive and retain one dollar ($1.00).

SECTION 32. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) From the fees received by the department of transportation for each application for certificate of title as provided in subsection (1)(a) of Section 31 of this Act the department shall remit four dollars ($4.00) to the county in which the application was prepared, which sum shall be paid quarterly to the county clerk of the county.

(2) From the fees received by the department of transportation pursuant to subsection (1)(a) through (f) of Section 31 of this Act, three dollars ($3.00) shall be credited to a special account within the road fund. These funds shall be used exclusively by the department of transportation for the administration of the certificate of title program.

(3) From the fees received by the department of transportation for information of status of certificate of title in subsection (1)(f) of Section 31 of this Act, one dollar ($1.00) shall be credited to a special account within the road fund. These funds shall be used exclusively by the department of transportation for the administration of the certificate of title program.

(4) Any excess fees collected by the department of transportation pursuant to subsections (2) and (3) of this section, at the end of each fiscal year, shall be deposited in the road fund for general use by the department of transportation.

SECTION 33. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No motor vehicle registration plate may be issued and no motor vehicle registration plate may be transferred for use on a motor vehicle required to be titled under this Act except on presentation by the owner to the county clerk or other issuing officer, the copy of application for a certificate of title to such vehicle, a certificate of title to such vehicle, a duplicate certificate of title to such vehicle where the original is held by a lienholder, or a copy of an application for a replacement certificate of title, provided however, when the owner of a motor vehicle has complied with the provisions of this section in licensing a motor vehicle or having the license for a motor vehicle transferred to him, this section shall not apply thereafter to the renewal of such license by such owner of such motor vehicle.

SECTION 34. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

This Act does not apply to the following unless a title certificate has been issued on such vehicles under this Act:

(1) A vehicle moved solely by animal power;
(2) An implement of husbandry;
(3) Special mobile equipment; and
(4) A self-propelled wheel chair or invalid tricycle.

SECTION 35. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

A person not entitled to possession of a vehicle shall not take, use or drive the vehicle without the consent of the owner and with intent to deprive him, temporarily or otherwise, of the vehicle or its possession.

SECTION 36. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

A person shall not be entitled to the possession of a vehicle who receives, possesses, conceals, sells or disposes of it, knowing it to be stolen or converted under circumstances constituting a crime.

SECTION 37. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) No person shall wilfully, and without right to do so, damage a vehicle or damage or remove any of its parts or components.

(2) No person shall, without right to do so and with intent to commit a crime, tamper with a vehicle, or go in or on it, or work or attempt to work any of its parts or components, or set or attempt to set it in motion.

SECTION 38. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) A peace officer who learns of the theft of a vehicle not since recovered, or of the recovery of a vehicle whose theft or conversion he knows or has reason to believe has been reported to the department, shall forthwith report the theft or recovery to the department.

(2) An owner or a lienholder may report the theft of a vehicle, or its conversion if a crime, to the department, but the department may disregard the report of a conversion unless a warrant has been issued for the arrest of a person charged with the conversion. A person who has so reported the theft or conversion of a vehicle shall, forthwith after learning of its recovery, report the recovery to the department.

(3) An operator of a place of business for garaging, repairing, parking or storing vehicles for the public, in which a vehicle remains unclaimed for a period of thirty (30) days, shall, within thirty (30) days after the expiration of that period, report the vehicle as unclaimed to the department. Such report shall be on a form prescribed by the department.

(4) A vehicle left by its owner whose name and address are known to the operator or his employe is not considered unclaimed. A person who fails to report a vehicle as unclaimed in accordance with this subsection forfeits all claims and liens for its garaging, repairing, parking or storing.

(5) The department shall maintain and appropriately index weekly cumulative public records of stolen, converted, recovered and reclaimed vehicles reported to it pursuant to this section. The department may make and distribute weekly lists of such vehicles so reported to it to peace officers upon request without fee and to others for the fee, if any, the department prescribes.

(6) The department may suspend the registration of a vehicle whose theft or conversion is reported to it pursuant to this section; until the department learns of its recovery or that the report of its theft or conversion was erroneous, it shall not issue a certificate of title for the vehicle.

SECTION 39. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No person shall knowingly make a false report of the theft or conversion of a vehicle to a peace officer or to the department.

SECTION 40. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) No person shall wilfully remove or falsify an identification number of a vehicle or an engine for a vehicle.

(2) No person shall wilfully and with intent to conceal or misrepresent the identity of a vehicle or engine, remove or falsify an identification number of the vehicle or engine.

(3) No person shall buy, receive, possess, sell or dispose of a vehicle or an engine for a vehicle, knowing that an identification number of the vehicle or engine has been removed or falsified.

(4) No person shall buy, receive, possess, sell or dispose of a vehicle or an engine for a vehicle, with knowledge that an identification number of the vehicle or engine has been removed or falsified and with intent to conceal or misrepresent the identity of the vehicle or engine.

(5) No person shall remove a license plate or tag from a vehicle or affix to a vehicle a license plate or tag not authorized by law for use on it, with intent to conceal or misrepresent the identity of the vehicle or its owner.

(6) As used in this section:

(a) "Identification number" includes an identifying number, serial number, engine number or other distinguishing number or mark, placed on a vehicle or engine by its manufacturer or by authority of the department or in accordance with the laws of another state or country;

(b) "Remove" includes deface, cover and destroy;

(c) "Falsify" includes alter and forge.

(7) An identification number may be placed on a vehicle or engine by its manufacturer in the regular course of business or placed or restored on a vehicle or engine by authority of the department without violating this section; an identification number so placed or restored is not falsified.

SECTION 41. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Any state policeman, county policeman, sheriff, deputy sheriff, policeman of an incorporated municipality or duly authorized representative of the department of transportation of this state may enter into the premises of any automobile salvage dealer, junk yard, or motor vehicle dealer licensed therefor by the state of Kentucky and inspect the identification numbers of all motor vehicles or parts thereof contained on said premises, at any time of the day or night in order to enforce the provisions of this Act.

(2) Any state policeman, county policeman, sheriff, deputy sheriff, policeman of an incorporated municipality or duly authorized commissioned law enforcement officer of the department of transportation of this state shall have the power to serve and execute any and all search warrants obtained in accordance with law for the purposes of the provisions of this Act.

(3) No person shall interfere with proper inspection by lawful officers as authorized by this section.

SECTION 42. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

A person who, whether present or absent, aids, abets, induces, procures or causes the commission of an act which, if done directly by him, would be a felony or a misdemeanor under a provision of this Act, is guilty of the same felony or misdemeanor.

SECTION 43. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No person shall, with fraudulent intent:

(1) Alter, forge or counterfeit a certificate of title;

(2) Alter or forge an assignment of a certificate of title, or an assignment or release of a security interest, on a certificate of title or a form the department prescribes;

(3) Possess or use a certificate of title, knowing it has been altered, forged or counterfeited; or

(4) Use a false or fictitious name or address, or make a material false statement, or fail to disclose a security interest, or conceal any other material fact, in an application for a certificate of title.

SECTION 44. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No person shall:

(1) With fraudulent intent, permit another, not entitled thereto, to use or have possession of a certificate of title;

(2) Wilfully fail to mail or deliver a certificate of title or application therefor to the department within ten (10) days after time required by this Act;

(3) Wilfully fail to deliver to his transferee a certificate of title within ten (10) days after the time required by this Act;

(4) Knowingly and wilfully commit a fraud in any application for a title or registration; or

(5) Wilfully violate any other provision of this Act, except as otherwise provided in this Act.

SECTION 45. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of a class D felony for any violation of Section 17(6) or (7), Section 35, Section 36, Section 40(2) or (4), or Section 43 of this Act.

(2) A person is guilty of a class A misdemeanor for any violation of Section 2(2), Section 37(1) or (2), Section 39, Section 40(1), (3) or (5), Section 41(1) or (2), or Section 44 of this Act.

(3) Any person who violates Section 38(4) of this Act shall be fined not more than one hundred dollars ($100).

SECTION 46. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

This department is charged with the enforcement of the provisions of this Act and it is hereby authorized and empowered to call upon any and all law enforcement agencies and officers of this state for such assistance as it may deem necessary in order to assure such enforcement; and it shall be the duty of such law enforcement agencies and officers to render such assistance to the department when called upon by it to so do.

SECTION 47. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Sixty (60) days prior to the distribution of 1982 model year vehicles to Kentucky motor vehicle dealers, the department shall provide each designated agent with a supply of forms and the rules and regulations provided for in this Act, and shall furnish each designated agent with at least five (5) copies thereof.

SECTION 48. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

This Act may be cited as the "Kentucky uniform certificate of title and antitheft act."

Section 49. There is appropriated from the general fund to the transportation fund the sum of eight hundred thousand dollars ($800,000) for fiscal year 1980-81 and five hundred thousand dollars ($500,000) for fiscal year 1981-82. The total general fund allotment may be transferred for administrative purposes to the transportation fund for allotment and expenditure.

The Committee Substitute to **HB 99** is as follows:

HB 99, AN ACT relating to motor vehicle titles and making an appropriation therefor.

WHEREAS, for more than a quarter-century there have been unsuccessful attempts to improve Kentucky's vehicle registration and titling system; and

WHEREAS, Kentucky is now the only state in the nation without a motor vehicle title law; and

WHEREAS, under our present system there is inadequate capability to determine, prior to issuance of an ownership document, whether a vehicle for which such a document is issued is stolen, thereby facilitating commerce in stolen vehicles; and

WHEREAS, inadequacies in Kentucky's present vehicle registration system are a potential stumbling block to criminal investigations, state and nationwide; and

WHEREAS, a delinquency rate in personal property tax collections associated with motor vehicles and trailers, of approximately fifteen percent (15%), results in an annual revenue loss of six to eight million dollars to the state and local taxing jurisdictions and districts; and

WHEREAS, a system of accounting for more than two million motor vehicles and trailers, their owners, and their taxation cannot be efficiently handled with manual techniques; and

WHEREAS, an automated vehicle information system is established and successfully operating in nineteen (19) counties, that, with appropriate modification, expansion, and support from this assembly, can cost effectively meet the needs of all interested parties and provide greater convenience to the public; and

WHEREAS, the state-wide automated motor vehicle and trailer registration and titling system, combining both registration and titling in a single modern business information system, is the keystone of a combined traffic records system that will improve the safety of all citizens of this Commonwealth, as well as others; and

WHEREAS, the present method of staggered registration is inconvenient for the public, when compared with a birth month system, and is inefficient and costly in relation to the automated system; and

WHEREAS, certain statutory deficiencies hamper the ability of Kentucky's law enforcement agencies to combat organized auto theft;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

It is the intent of the Kentucky General Assembly that Kentucky should adopt a certificate of title and auto vehicle theft act. This act contemplates a centralized issuance of motor vehicle titles. It is the intention of the General Assembly that, beginning in the 1983 model year, all 1983 year model and subsequent year model vehicles shall be centrally titled. In counties which are operating under the automated motor vehicle registration system under the provisions of this chapter, motor vehicles may be titled according to the same procedures, provided that the secretary of the Kentucky department of transportation and the secretary of the Kentucky department of finance agree that there is sufficient funding to modify the present automated registration system to accommodate the titling function. If funds are not deemed to be available, such counties shall operate under a manual system.

In counties which are not operating under an automated motor vehicle registration system under the provisions of this chapter, motor vehicles shall be titled according to a manual system to be developed according to the department of transportation. However, a manual system shall be developed only if funding is available as determined by the departments of finance and transportation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The departments of transportation, justice, finance, and revenue, in conjunction with the joint interim committee on transportation of the Kentucky general assembly, shall consider from the effective date of this Act until the 1982 regular session, the fiscal and physical impact of the motor vehicle titling systems described herein. This consideration shall include the desirability of the manual and automated systems described for the purpose of determining the application of these systems on a statewide basis. The joint recommendation of these state agencies and the joint interim committee shall be presented as a single recommendation to the 1982 regular session of the general assembly and shall be considered by that session. The interim committee shall be responsible for coordinating recommendations relating to the systems described herein and may hold hearings and direct any state agency it may deem appropriate to cooperate relevant to formulating a recommendation to the 1982 regular session. It is further provided that in the event the secretary of transportation and the secretary of finance, in accordance with other provisions of this Act, determine that sufficient funds are available to begin implementation of a motor vehicle titling system prior to the 1982 regular session, the joint interim committee shall be consulted with respect to the specifics of such implementation and such implementation shall have concurrence of the departments of justice and revenue as well as the joint interim committee prior to implementation.

Section 3. KRS 186A.010 is amended to read as follows:

(1) *An automated motor vehicle and trailer registration and titling system shall be developed and implemented as expeditiously as practicable in all counties of the Commonwealth* [It is the intention of the general assembly that an automated motor vehicle and trailer registration system be developed and that pilot projects be instituted in selected counties; subject to the agreement of the county clerk of a selected county. The counties in which pilot projects shall be instituted shall be selected by the secretary of the department of transportation in consultation with the departments of revenue and justice]. The automated motor vehicle and trailer registration system shall be designed to enable Kentucky's county clerks to produce motor vehicle and trailer certificates of registration in their offices, and certificates of title in Frankfort, by automated means utilizing telecommunication terminals and associated devices supplied by the Commonwealth, to inhibit registration and transfer of stolen motor vehicles or trailers, to improve the capability of detecting and recovering such vehicles, to ensure development of a common vehicle information data base to improve efficiency *in collecting and* [in] auditing motor vehicle usage tax, [and] license fee collections, *and personal property tax,* to provide information to the traffic record system, and to provide improved security interest protection to potential creditors throughout Kentucky while simultaneously reducing the number of forms that must be processed and stored each year in Kentucky.

(2) The department of transportation is hereby directed to develop *as expeditiously as practicable* an automated motor vehicle and trailer registration *and titling* system [design,] having, as a minimum, the capabilities or functions described in this chapter, and to acquire and assure the installation of such equipment or services as are necessary to enable the system as described in this chapter to be *operated in all counties of the Commonwealth* [tested in selected counties].

(3) *All* [The department of transportation is directed to ensure that the system developed will produce the necessary reports in such manner and at such times as the departments of revenue and justice request, to enable these departments to audit the taxes and fees collected by the county clerk in connection with the registration of a motor vehicle or trailer required to be registered in this state, and that the system produces such other information as the department of justice may reasonably require in connection with the registration of a motor vehicle or trailer, in carrying out the duties of that department as they relate to the regulation of motor vehicles or a traffic records system.

(4) The] departments of *state government affected by the system* [revenue and justice] are hereby directed to cooperate with the department of transportation for purposes of assuring orderly implementation of this *Act* [chapter].

SECTION 4. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) (a) The bureau of vehicle regulation shall have full responsibility and authority for day-to-day administration of the automated system and related functions described by this chapter; and

(b) May request the assistance of any department or bureau of state government in carrying out its responsibilities under this Act.

(2) The bureau of vehicle regulation shall assure, to the extent feasible, twenty-four (24) hour, year-around information support to the bureau of state police, and to other law enforcement agencies state and nationwide, regarding vehicles registered and, when required, titled in this state.

SECTION 5. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

In order to improve collection of personal property (ad valorem) taxes associated with motor vehicles and trailers, the bureau of vehicle regulation, in cooperation with the department of revenue, shall:

(1) Ensure that the automated system provided by this chapter is capable of properly assigning a value for each vehicle registered in a county, utilizing a value reference manual in machine readable form approved by the department of revenue, and a manually entered value for vehicles not shown in such "manual."

(2) Promptly study the feasibility of computing personal property (ad valorem) taxes associated with motor vehicles or trailers, and producing tax bills or notices of taxes due in such regard, and if shown feasible to its satisfaction, implement such capability, or any part thereof, as expeditiously as practicable.

(3) Ensure that the automated system is capable of receiving the record of a lien for unpaid personal property (ad valorem) taxes associated with a motor vehicle or trailer and causing notice of such lien to be imprinted on any certificate of registration, certificate of registration and title, or if applicable, certificate of title or salvage certficate unless such lien is satisfied or exonerated.

(4) Ensure that the automated system design will permit the county clerk to transfer the record of an unpaid property (ad valorem) tax lien against a motor vehicle or trailer, from a vehicle previously owned by an owner, to another vehicle subsequently registered in his name.

SECTION 6. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Other provisions of the statutes to the contrary notwithstanding, the requirement that a sticker or emblem evidencing security (insurance) be affixed to a motor vehicle shall be waived:

(1) Upon a finding by the commissioner of the department of insurance that the underlying purpose(s) of KRS 304.39-085 may be accomplished by the filing of appropriate evidence of insurance with the county clerk, and entry of data concerning such filing into the automated system provided for by this chapter; and

(2) Upon the implementation of a program approved by the commissioner of the department of insurance consistent with this section.

SECTION 7. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) All motor vehicles with a gross vehicular weight of 10,000 pounds or less, and trailers, first registered, or for which the registration is renewed in this state on or after January 1, 1981, shall be placed in a system of year-round registration based upon the birth month of the owner, in order to distribute the work of registering motor vehicles as uniformly as practicable throughout the twelve (12) months of the year.

(2) If the owner of a motor vehicle or trailer is other than an individual, the month in which the owning entity came into being shall be used for purposes of this section. If a motor vehicle or trailer is jointly owned, the owners shall indicate to the county clerk the birth month of one of them to be used for purposes of this section.

(3) The certificate of registration and license plate issued for a motor vehicle or trailer first registered in this state on or after January 1, 1981, shall be valid, unless cancelled by the department in accordance with KRS Chapter 186 or this chapter, upon payment of the required fee, for a period beginning on the first day of the month of the year in which registration is applied for, and expiring on the last day of the next birth month of the owner following the month during which registration is applied for, provided however that, upon the owner's request, and after payment of the proper prorated fee, an owner may obtain a certificate of registration and license plate valid through the last day of his second birth month following the month and year in which he applies for a first certificate or registration.

(4) After a motor vehicle or trailer has been initially placed in the system of year-round registration, the owner shall renew the registration and license plate annually during the owner's birth month, by making application to the county clerk and paying the fee required for twelve (12) consecutive months of registration, which shall take effect on the first day of the month succeeding the owner's birth month and shall expire on the last day of the owner's next birth month.

(5) Any owner who fails to renew the registration of a motor vehicle during the month in which the previous registration expired, shall, if he applies for renewal of the registration in some later month, pay the same fees that would have been required if the registration had been renewed in the month which the previous registration expired.

(6) Fees which must be prorated in carrying out the intent of this section shall be prorated on the basis of twelfths of the annual registration fee. Any vehicle which is registered at any time during a month, shall pay the fee required for that whole month plus any additional months of registration purchased consistent with the intent of this section.

(7) The county clerk shall ensure that the certificate of registration issued to an owner displays the month and year in which the registration period begins, and the month and year of its expiration, and shall issue to the owner a decal or decals corresponding to the month and year of expiration shown in the certificate of registration which shall be placed upon the corresponding license plate by the owner in the manner required by administrative regulations of the bureau of vehicle regulation.

SECTION 8. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The department of transportation shall ensure that by June 30, 1982, each county in the Commonwealth is equipped with at least one, or more than one, as workload dictates, video telecommunications terminals and associated devices, linked to a computer in Frankfort maintained by the Commonwealth, and capable of enabling the county clerk to produce certificates of registration in their offices, and certificates of title in Frankfort, in a manner consistent with this chapter.

SECTION 9. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The certificate of title blanks required by this chapter shall be designed and printed to make difficult, and facilitate detection of counterfeit likenesses or fraudulent alteration of genuine documents. The bid specifications for the acquisition of the certificate of title blanks shall require, as a minimum:

(1) That bidders have a demonstrable reputation in the printing of currency or securities, and guarantee with an appropriate cash bond that, in addition to any other requirements, the document blanks to be supplied are printed in a secure printing facility, by intaglio steel plate printing process, from line engravings, utilizing a combination of the printing process, unique printing plates, paper, and inks to produce high quality documents designed to:

(a) Be readily recognizable as genuine by a layman, and by extra visual techniques;

(b) Make extremely difficult the manufacture of counterfeit likenesses by direct engraving, photographic or color xerographic means;

(c) Visually reveal actual or attempted alteration or erasure by chemical or mechanical means.

(2) That bidders guarantee production of a specific number of uniquely numbered documents with guaranteed accounting for spoilage, and a guaranteed list of document numbers supplied and those deleted.

(3) That the documents will be shipped to the Commonwealth by an agreed means to assure minimal risk of theft, loss or destruction.

(4) That the plates utilized in printing of the blanks will not be utilized for the printing of certificate of title blanks by other than the bidder pursuant to a lawful contract with the Commonwealth.

SECTION 10. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The bureau of vehicle regulation, in cooperation with the bureau of state police, shall ensure that the automated vehicle registration and titling system provided for by this chapter will be designed, equipped, and operated so that, under normal conditions, the system will withhold production of a certificate of title until the vehicle identification number of a vehicle for which a title is sought, and when present its license number, has been automatically compared against the law information network Kentucky (LINK) and, unless it refuses to permit such an arrangement, the national crime information center (NCIC) computerized listing of vehicles reported stolen, and a "no stolen report" or its equivalent is received.

SECTION 11. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The bureau of vehicle regulation is directed to develop, in cooperation with county clerks, auto dealers, and the departments of revenue and insurance and the bureau of state police, a combined vehicle transaction record form to permit, to the extent feasible, the recording on one side of one page, all information pertinent to the initial registration, taxation, and when required, titling, or transfer of registration and title of a vehicle. The form shall be utilized by all applicable parties in connection with the registration, and if required, titling of a vehicle in this state on and after January 1, 1982. The form shall have at least the following characteristics:

(1) An appropriate heading or title.

(2) A statement that the information required by the first or original of the form must be legibly printed in dark blue or black, permanent photo-reproducing ink or indelible pencil, or typed in black, except as to signatures, which shall be originally signed in dark blue or black photo-reproducing ink.

(3) A statement, prominently printed in boldface type, that any person who knowingly enters, or attests to the entry of, false or erroneous information upon the form shall be subject to the penalties of perjury.

(4) A seller or transferror section containing space for the seller or transferror's full legal name, mailing address and telephone number, including telephone area code, and if the seller or transferror is a motor vehicle dealer licensed in this state, a space for recording the dealer license number.

(5) An owner or buyer section, containing space for the owner or buyer's full legal name, mailing address, social security account number, or, if the owner is other than a person, its state or federal employer identification number, telephone number including telephone area code, and owner's birth month.

(6) A vehicle description section with space for the vehicle identification number, and if the vehicle is a motorcycle, a motor number; the make; model name; model number; year model; number of cylinders; style of body; and spaces for designating two colors, single or upper, and lower; and, if the vehicle is a truck, its gross weight.

(7) A section with spaces for recording prior registration and title information to include the previous owner's name, the state in which a vehicle was last registered or titled, and the title number, registration number, and year.

(8) An odometer disclosure section containing all information elements required by applicable federal law, except that, the language of the section shall incorporate by reference the transferror's address, the vehicle description, date of the statement and the transferree's name, address and acknowledgment, which shall appear on the same form, although not necessarily within the same section. Such section shall be imprinted with the warning that knowingly giving false or erroneous information is subject to the penalty of perjury in the second degree.

(9) A transferror's lien declaration section, containing the necessary means to obtain the following information: I __________ warrant that the vehicle described above is not subject to an unterminated lien in the name of a prior owner.

(10) A tax computation section for both new and used cars, consistent with requirements of the department of revenue.

(11) A section for the seller or transferror's certificate of truth and accuracy of the information. The section shall be printed in boldface type and shall read: I __________ (typed or printed name) hereby certify under penalty of perjury and applicable federal and state law and regulations that the foregoing information upon this form is true and correct to the best of my knowledge and belief. __________ (signature)

(12) This language shall be followed by the words and spaces required for a notarial certificate.

(13) An owner or transferee's lien declaration section, containing the necessary means to obtain the following information: I , (owner, transferee) have not applied for a loan in connection with the vehicle described above, and do not expect to do so within thirty (30) days of submission of this application to the county clerk.

(14) A lien information section containing the necessary elements to obtain the following information:

(a) This vehicle shall be subject to lien or liens, not exceeding two, in the name of the applicant, owner or transferee;

(b) A financing statement and required filing fees accompany this application;

(c) Spaces for recording as to a first and second lien, the lienholder's name and mailing address, including zip code; the date the lien was filed; file number (as supplied by the county clerk) and county in which the financing statement is filed;

(d) A statement as to whether a loan has been or will be applied for in connection with the vehicle, and whether a financing statement is expected to be filed within thirty (30) days of submission of this application to the county clerk.

(15) A section for an owner's request for issuance of a regular or special plate.

(16) A section for an owner's request for registration of a vehicle under a special fee classification.

(17) A section for the owner's statement of application for registration and when required, a certificate of title. The section shall state: I __________ (typed or printed name) hereby apply for registration of the vehicle described above, for a license plate of the type indicated, and, if required, a certificate of title. If I have requested that the vehicle be registered under a special use classification provided by statute, I certify that the vehicle will be operated consistent with the registration classification I have indicated. I certify under penalty of perjury that the information I have supplied is true and correct to the best of my knowledge and belief, followed by a space for the owner's signature. This language and space shall be followed by the words and spaces required for a notarial certificate.

(18) A section for the certified vehicle inspector's certificate of inspection of a vehicle from out of state, which shall include words and spaces as indicated: I __________ (printed or typed name and title) of __________ (printed or typed county) telephone area code and telephone number, do hereby certify under penalty of perjury that I have personally and physically inspected the vehicle described above, together with this application and its supporting documents, and the vehicle is as described hereon; the documents supporting this application are consistent with the vehicle description, including the vehicle identification numbers appearing upon this application, and that the vehicle identification number displayed upon the vehicle and supporting documents appear to be in order. The odometer reading at the time of my inspection was __________ miles/kilometers (circle one). The driver's license number of the owner is __________, state of __________. I hereby certify under penalty of perjury that the information I have given is true and correct to the best of my knowledge and belief. __________(signature) __________ (date).

(19) County clerk's section with words and spaces as appropriate, requiring the county clerk to:

(a) Enter the type, name of the issuer, identifying number and date of issue, of the document supporting the application, together with its document control number (as distinguished from title number) and the taxes and fees to be collected, including the number of months of registration sold, the month and year of expiration, and such decal numbers as may be required to permit audit of fee collections;

(b) Words requiring, and spaces for entry of, the name of the county in which the application was received together with the date and time of receipt, and space for the signature of the clerk or deputy, which shall be preceded by the words "I certify under penalty of perjury that I have reviewed this application and the documents supporting it; all supporting documents indicated hereon are present and consistent in pertinent part with this application, that I received the application on the date and at the time indicated hereon, and that I collected the fees as indicated. __________ (signature of clerk or deputy clerk, date, county).

(20) A statement that "I certify under penalty of perjury that this record was entered with due diligence into the automated system by me at or about ________(time) __________(date) __________(signature) __________ (title).

(21) Spaces for stamping the date and time of receipt of the application by the bureau of vehicle regulation and for the signature or prescribed symbol of the receipt clerk and for endorsements by processing clerks.

(22) A space for endorsement that title issuance was recommended to the bureau of vehicle regulation __________(date, time) by __________(signature) which shall be preceded by the words "I certify under penalty of perjury that due diligence has been exercised in recommending issuance of title No. __________ in the name of the applicant for the vehicle described above __________(signature, date).

(23) The form may contain or require any other information deemed appropriate by the bureau of vehicle regulation in cooperation with the departments of revenue and insurance and the bureau of state police, and may be organized as efficiency dictates.

SECTION 12. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Except as otherwise provided, before the owner of a motor vehicle or trailer may operate it or permit its operation upon the highways of this state, he shall apply for and obtain a certificate of registration, and a license plate therefor in his name, and if the motor vehicle or trailer is of a year model designated 1983, or any year model thereafter, a certificate of title in his name.

SECTION 13. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) If the secretary of the department of transportation determines that each county in the Commonwealth cannot be equipped with operational terminals and associated devices consistent with this chapter, in sufficient time to efficiently implement the titling of vehicles of the year model 1983, or any year thereafter, he shall report such determination in writing, with reasons stated, to the governor not later than January 1, 1982.

(2) The governor may by executive order, extend by one (1) year, to 1984, the first year model of vehicles for which a certificate of title must be obtained in this state. Such order shall be made prior to June 30, 1982.

(3) The secretary of transportation shall, upon issuance of an executive order as provided in this section, give formal notice to appropriate agencies that such extension has been made. the requirements of this chapter and the cause of any delay.

SECTION 14. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No Kentucky certificate of registration, license plate, or certificate of title need be applied for or obtained for:

(1) A vehicle owned by the United States unless it is registered in this state;

(2) A vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used for purposes of testing or demonstration; or a vehicle used by a manufacturer solely for testing;

(3) A vehicle owned by a non-resident of this state, principally operated in another state, properly and currently registered and titled in another state;

(4) A vehicle regularly engaged in the interstate transportation of persons or property for which a currently effective lawful certificate of title has been issued in another state;

(5) A vehicle moved solely by animal power;

(6) An implement of husbandry;

(7) Special mobile equipment;

(8) A self-propelled wheel chair or invalid tricycle;

(9) A pole trailer; and

(10) A motor vehicle engaged in the transportation of passengers for hire operating under a currently valid certificate of convenience and necessity.

SECTION 15. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No county clerk shall accept an application for a certificate of registration, license plate, and when required, a certificate of title, unless the vehicle bears an apparently legitimate vehicle identification number, and if required, an apparently legitimate motor and frame number, as indicated by an owner's application.

SECTION 16. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The owner of a vehicle required to be registered in this state which:

(a) Does not have a legitimate vehicle identification number as affixed by a manufacturer regularly engaged in the original manufacture of the type vehicle for which registration is sought, or in accordance with the law of this or another state, or

(b) Has been built from parts, shall, before making application for registration of the vehicle, apply to the bureau of state police for issuance of a vehicle identification number plate, which shall be affixed to the vehicle in the manner prescribed by administrative regulations of the bureau of state police.

(2) The bureau of state police shall establish in cooperation with the bureau of vehicle regulation regulations governing the form of application required by this section, and may require inspection of the vehicle before a vehicle identification number plate has been issued and after such plate has been affixed to the vehicle.

SECTION 17. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

An owner of a vehicle for which a certificate of registration, license plate, and when required, a certificate of title must be obtained in this state, shall be allowed a ten (10) day grace period from the date on which he purchased a vehicle or brings a vehicle into the Commonwealth from another state, during which time the owner shall apply for and obtain a certificate of registration and a license plate in his name and, if required, apply for a certificate of title.

SECTION 18. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Whenever a vehicle for which a certificate of registration, license plate, and when required, a certificate of title, is operated upon the highways of this state, during the application grace period, the operator of such vehicle shall have proof of ownership in his custody, and shall exhibit such proof upon demand of a law enforcement officer.

SECTION 19. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) A motor vehicle dealer licensed under KRS 186.070 who sells a vehicle for use upon the highways of this state which has not previously been registered in this state, shall, unless the vehicle is bearing a license plate issued therefor in the name of the purchaser at the time it is delivered to the purchaser, equip the vehicle with a temporary tag executed in the manner prescribed below, which shall be valid for ten (10) days from the date the vehicle is delivered to the purchaser. A motor vehicle dealer licensed under KRS 186.070 shall apply to the county clerk of the county in which the dealer maintains his principal place of business for issuance of temporary tags. Application shall be made for such tags on forms supplied to the county clerk by the department of transportation.

(2) The county clerk of any county who receives a proper application for issuance of temporary tags shall record the number of each tag issued upon the application of the dealer for such tags, or if a group of consecutively numbered temporary tags are issued to a dealer in connection with a single application, record the beginning and ending numbers of the group on the application.

(3) The clerk shall retain, for a period of two (2) years, one (1) copy of the dealer's temporary tag application, and ensure that it reflects the numbers appearing on the tags issued with respect to such application, and shall, within five (5) days after issuing temporary tags, forward a copy of the application showing thereon tag numbers issued, postpaid, to the bureau of vehicle regulation.

SECTION 20. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Motor vehicle dealers and their agents, before equipping a vehicle with a temporary tag, shall print or stamp in waterproof ink, legibly, in the spaces provided on such tag:

(1) The month, day and year the vehicle was delivered to the purchaser,

(2) The month, day and year of expiration of the tag which shall be no more than ten (10) days following the date of delivery of the vehicle to the purchaser,

(3) The purchaser's name,

(4) The year model, make and vehicle identification number of the vehicle sold, and

(5) The dealer's name, city of principal place of business and the telephone number including telephone area code.

The dealer's employe who executes the temporary tag shall place his signature in the space provided. A dealer who issues, or whose agents issue, temporary tags shall keep a log of each temporary tag obtained, and each such tag issued, showing all information entered by the dealer or dealer's agent on forms supplied by the department, and shall make such log available for inspection by any law enforcement officer upon request. Such log shall be retained by the dealer for a period of at least two (2) years following the date of issuance of the last dated tags whose issuance is indicated on any individual temporary tag log sheet.

SECTION 21. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Both the dealer and the dealer's salesman or agent shall be liable for separate penalties for issuance of a temporary tag prior to sale of the vehicle on which the tag is placed by the dealer, for placement of a tag on a vehicle other than one purchased by the purchaser shown on such tag, for failure to fully execute as provided in this section a temporary tag which is placed upon a vehicle, and for failure to maintain the records required by this section.

SECTION 22. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Except as otherwise provided in this section, the owner of every vehicle brought into this state and required to be registered in this state, or which is brought into this state by other than a motor vehicle dealer licensed to do business in this state, shall, before submitting his application for registration and when required, title, to the county clerk, have the vehicle together with his application for registration and its supporting documents inspected by a certified inspector in the county in which the application for registration is to be submitted to the county clerk.

(2) The following vehicles are excluded from the requirement of inspection by a certified inspector prior to registration in this state:

(a) New motor vehicles sold by a dealer licensed in this state;

(b) Vehicles required to be registered in this state by reason of lack of a reciprocity agreement with another state and for which a non-negotiable registration document is to be issued; and

(c) Motor vehicles operated by a motor carrier under a non-negotiable certificate or permit issued by the bureau of vehicle regulation.

(3) When presented to a certified inspector for inspection or to a county clerk for processing, the owner's application for a first certficate of registration in his name, and when required, a certificate of title, shall be accompanied by one of the following documents as applicable:

(a) If the vehicle is a new vehicle not previously registered in this state, the properly assigned manufacturer's statement of origin for the vehicle for which registration and when required, a certificate of title is sought.

(b) If the vehicle was last registered in this state, and is a vehicle for which a title is not required in this state, a properly assigned certificate of registration, or, if the vehicle is one for which a certificate of title is required in this state, a properly assigned certificate of title.

(3) If the vehicle was last previously titled in another state, a properly assigned certificate of title.

(4) If the application refers to a vehicle previously registered in another country, the documents of that country establishing ownership of the vehicle.

(5) If the application refers to a vehicle last previously registered in another country by a person on active duty in the armed forces of the United States, the county clerk may accept on behalf of the bureau of vehicle regulation evidence of ownership provided the applicant by the United States department of defense.

(6) If the application relates to a vehicle which has been specially constructed or reconstructed, that fact shall be stated in the application, and the application shall be accompanied by such documents as are specified by administrative regulations of the bureau of vehicle regulation.

(7) When requested to inspect a vehicle pursuant to this section, the certified inspector shall personally and physically inspect the vehicle for which registration is sought in this state, together with the vehicle transaction record form, and its supporting documentation, on the following points:

(a) He shall ensure that the vehicle transaction record and each of its copies are legible and properly executed to the extent required at the time of execution;

(b) He shall compare the vehicle identification number as appearing on both the vehicle identification number plate, and the federal safety standards label of the vehicle which is sought to be registered, with the corresponding number inscribed on the vehicle transaction record, and its supporting documentation, and ensure that the vehicle identification number appearing at each described location appears legitimate and that they are consistent with each other;

(c) He shall examine the primary odometer of the vehicle and legibly record the reading in the space provided in the inspection section of the transaction record; and

(d) After exercising due diligence in inspecting the vehicle, the vehicle transaction record, and its supporting documentation, and finding that they appear to be in order, the certified inspector shall execute the pre-printed certificate of inspection according to its terms by printing in the spaces provided, his first name, middle initial and last name, and his title, the name of the county in which he serves and the telephone number including the telephone area code of his agency, and sign in ink his signature in the space provided, and print the month, day and year in which his inspection was made, certifying under penalty of perjury the character, accuracy and date of his inspection.

(8) The certified inspector shall refrain from executing the certificate of inspection if:

(a) He has not personally and physically inspected the vehicle in accordance with this section;

(b) He has reason to believe that the vehicle displays an unlawfully altered vehicle identification number;

(c) The vehicle transaction record and any of its copies are illegible or otherwise improperly executed, or contain information reasonably believed to be inaccurate or fraudulent;

(d) The documentation required in support of an application is not present, or not consistent with the vehicle and the owner's application or appears fraudulent; or

(e) He has probable cause to believe the vehicle is stolen.

SECTION 23. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Application for a first certificate of registration, license plate, and when required, a certificate of title, shall be made by the owner to the county clerk of the county in which he resides, except that, if a vehicle is purchased from a dealer other than in the county in which the purchaser for use resides, the purchaser, or the dealer on behalf of the purchaser, may make application for registration to the county clerk in either the county in which the purchaser resides, or in the county in which the dealer's principal place of business is located.

(2) A new vehicle, when first registered in this state, shall be registered in the name of the first owner for use rather than in the name of a dealer who held the vehicle for sale.

(3) If the owner of a vehicle required to be registered in this state does not reside in the Commonwealth, the vehicle shall be registered with the county clerk of the county in which the vehicle is principally operated.

(4) If the owner of a vehicle is other than an individual and resides in the Commonwealth, the vehicle shall be registered with the county clerk in either the county in which the owner resides or in the county in which the vehicle is principally operated.

SECTION 24. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Application for a first certificate of registration, and when required, certificate of title, in the name of an owner shall be made on forms prescribed by the bureau of vehicle regulation consistent with this chapter, which shall be available from any county clerk.

(2) Application forms shall be completed, except as to required signatures by legibly printing in ink, or typing, all required information. When a signature is required, such signature shall be given attesting under penalty of perjury to the truth and accuracy of the information supplied.

(3) The application, when presented to the county clerk, shall contain all required information and be fully executed with all required signatures present, and be accompanied by all required supporting documentation and fees.

(4) The county clerk shall reject any application upon which the information provided is not legibly printed or typed, the required information is not supplied, not accompanied by required supporting documents, not properly executed with required signatures, or when the clerk determines that the application is improper or that the applicant is not entitled to registration of the vehicle for which registration, and when required, certificate of title is sought, or in the absence of the required fees.

SECTION 25. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

There shall be paid for issuing and processing documents required by this chapter fees according to the following schedule:

(1) Each application for a certificate of title shall be ten dollars ($10), of which the county clerk shall retain three dollars ($3).

(2) Each application for a replacement or corrected certificate of title shall be eight dollars ($8) of which the county clerk shall retain two dollars ($2), provided however, that if a corrected certificate must be issued because of an error of the county clerk or the bureau of vehicle regulation, there shall be no charge.

SECTION 26. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) When the commissioner of the bureau of vehicle regulation determines that the automated vehicle registration and titling system is operational in a county, he shall so notify the county clerk of such county by a notarized statement sent to the county clerk by certified mail.

(2) After receiving the notice provided for by this section, the county clerk shall issue only those certificates of title and registration, or certificates of registration that have been produced through the automated vehicle registration and titling system, unless otherwise authorized by the administrative regulations of the bureau of vehicle regulation.

SECTION 27. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The bureau of vehicle regulation shall provide by administrative regulations, procedures for registration, and when required titling, or supplying of a salvage certificate for a vehicle in a county not equipped with automated facilities provided for by this chapter, or whose facilities have been rendered useless for a period exceeding one (1) day by reason of calamity.

(2) Procedures developed under this section shall be consistent with concepts that liens associated with motor vehicles shall be filed with the county clerk, and that a title shall be issued centrally from Frankfort, after careful review of an application to determine correctness and legitimacy of it.

SECTION 28. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Upon receiving an application of an owner for a first certificate of registration in his name and if required, a certificate of title, the county clerk or deputy clerk shall review the form, and each copy thereof, for legibility, completeness, and consistency of information. The clerk shall ensure that all documents required in support of the application accompany the application and that they are consistent in pertinent part with the statements upon the application.

(2) Upon determining that an application is in proper form, the county clerk or his deputy shall complete those elements of the form reserved to the county clerk, endorse the application in the manner directed upon the form, and then enter designated information from the application into the automated system, in the manner required by administrative regulations of the bureau of vehicle regulation consistent with this chapter.

SECTION 29. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

In the event that, at the time an application for a certificate of registration, and when required, a title, is presented to the county clerk, the automated system is not capable of accepting entry of the record of an application and producing a certificate of registration, the county clerk shall advise the applicant of the outage, and after accepting the owner's application, and collecting the required taxes and fees, indicate receipt of the application in the required manner, and issue to the applicant, the applicant's copy of the application which shall serve as a temporary certificate of registration until the certificate of registration produced by the automated system is received by the applicant. The clerk shall advise the applicant, or the applicant's agent, that the regular certificate of registration will be mailed to the applicant or the applicant's agent in due course, or held for call by the applicant or the applicant's agent, at the applicant's discretion.

SECTION 30. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

When the automated system becomes operational following a system outage, it shall be the duty of the county clerk to ensure that all applications received during the system outage are promptly entered into the system and that the certificates of registration produced by the automated system are promptly mailed postpaid or delivered to the owner.

SECTION 31. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The county clerk shall, upon issuing a certificate of registration, give or mail postpaid to the owner, his designated copy of his application, and if the seller or transferror's designated copy accompanied the owner's application when it was presented to the county clerk, the clerk shall make that copy available to the seller or transferror.

(2) The county clerk shall then file the clerk's copy of the owner's application in the manner stipulated by administrative regulations of the bureau of vehicle regulation.

(3) The department of revenue copy of the owner's application shall be forwarded to the department of revenue in the manner specified by its regulation.

SECTION 32. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Not later than 3 p.m. on the next business day after an application for a first certificate of registration and a certificate of title for a vehicle of a year model 1983 or any year thereafter, is received by him, the county clerk shall prepare in triplicate on forms supplied by the bureau of vehicle regulation, an application transmittal record.

(1) The clerk shall indicate thereon in the spaces provided, the name of his county, the date or time period the transmittal relates to and, in the order they are to be attached to the transmittal record, a notion for each application attached consisting of the applicant's last name and initials or if the applicant is other than an individual, the name commonly used by the applicant and the tentative title number and any other information required upon the form as indicated thereon.

(2) The clerk shall ensure that the original of all applications noted on the transmittal, together with the original of all required supporting documents are attached to the transmittal record in the order shown

thereon, and shall thereafter sign and date the original of the transmittal record as of the date the transmittal is being forwarded to Frankfort.

(3) The county clerk shall place the original of each application record, with the original of each application shown thereon, and its required supporting documents, together with the acknowledgment copy of the transmittal record, in the envelope or other container provided by the bureau of vehicle regulation.

(4) The clerk shall then place the envelope or container with first class postage paid, directly into the hands of an employe of the U. S. postal service who is empowered to receive such mail, or in the alternative, place the envelope or other container into the proper receptacle for first class mail at the main post office of his county.

SECTION 33. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The bureau of vehicle regulation shall:

(a) Within five (5) working days following receipt by it of an application for a certificate of title in proper form, process the application and its supporting documents in the manner provided in this section, and, unless it finds discrepancies with respect to it or its supporting documents, issue a certificate of title in the name of the owner and send it postpaid to such owner.

(b) The bureau of vehicle regulation shall provide by regulation, a procedure for direct delivery, as distinguished from delivery by mail, of a certificate of title to an owner or owner's agent, and may establish a fee deemed reasonable by it for such service.

(2) Upon receiving an application packet from a county clerk, the application receipt clerk of the bureau of vehicle regulation shall:

(a) Cause the date and time of receipt to be stamped on both the bureau's copy and the acknowledgment copy of the application transmittal record and accompanying documents;

(b) Cause at least duplicate sets of microform images to be made of each transmittal record application and supporting document by a means that will provide rapid, selective, automated retrieval of individual document images by appropriate indexing methods or keys;

(c) Compare the application transmittal record with the documents accompanying it, and, if all applications shown upon the record are accompanying the record, endorse the bureau's copy of the transmittal record and the acknowledgment copy, and forward the acknowledgment copy to the clerk who issued it.

(3) In the event there is a discrepancy between the application transmittal record and the applications attached to it, the bureau of vehicle regulation shall note the discrepancy upon the bureau's copy and the acknowledgment copy, and shall promptly contact the issuing clerk and resolve the discrepancy. After resolving the discrepancy, the bureau shall note the nature of the disposition of the discrepancy and endorse the respective copies and forward the acknowledgment copy with the discrepancy disposition noted thereon to the issuing clerk.

(4) After executing the acknowledgment of receipt of applications, the bureau of vehicle regulation shall carry out the following action with respect to each application:

(a) Examine the owner's application for legibility and proper execution, presence of required information, including required supporting documents, and the presence of required signatures. The bureau of vehicle regulation shall ensure also that the required supporting documents are consistent in pertinent part with the information shown on the owner's application;

(b) The documents supporting an owner's application shall be examined as to authenticity and to determine if fraudulent alteration has occurred;

(c) Assure that the vehicle identification number of the subject vehicle is apparently legitimate;

(d) Ensure that the vehicle identification number and any other appropriate information with respect to a vehicle for which a certificate of title has been applied for is compared against the national crime information center (NCIC) computerized listings of vehicles reported stolen, unless NCIC is not operational and the bureau has official notification that it is not expected to be operational within four (4) working days following the day on which an application for a certificate of title is received by it;

(e) Compare the computer produced certificate of title for consistency with the owner's application and supporting documents.

(5) When the title application examination has been completed, and the application examiner at each significant stage has indicated, by placing his unique symbol upon the application in the space provided thereon, that an application has passed the required examinations, the application shall be examined by a title examination certifier.

(6) The title application certifier shall ensure that each application has received the required examinations as indicated by the presence of each required examiner's symbol. Upon satisfying himself that an application has passed the required examinations, the title examination certifier shall place his unique symbol together with the date upon the application.

(7) The bureau of vehicle regulation shall withhold issuance of a title, until its questions are resolved to its satisfaction, when it finds material discrepancies or has information giving probable cause to believe:

(a) That an applicant is not the lawful owner of a vehicle for which he seeks a title;
(b) His application is not in order;
(c) The documentation supporting an application is insufficient or fraudulent;
(d) The vehicle has an illegitimate vehicle identification number;
(e) The vehicle is stolen; or
(f) That the computer produced certificate of title is not consistent with the owner's application.

(8) When the bureau of vehicle regulation finds that a certificate of title should be issued for a vehicle, the endorsement of the commissioner of the bureau of vehicle regulation shall be engrossed upon the certificate of title following a pre-printed statement which shall read: I certify that the bureau of vehicle regulation has exercised due diligence in examining an application for a certificate of title for the above-described vehicle, and to the best of our knowledge and belief, the applicant whose name appears above is the lawful owner of the apparently legitimate vehicle described herein. *(signature)* , commissioner, bureau of vehicle regulation, Kentucky department of transportation.

SECTION 34. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Each certificate of title issued by the bureau of vehicle regulation shall contain:

(1) The date of its issue;

(2) The name, social security account number or employer identification number, and current mailing address of the owner, to include zip code;

(3) The names and address of any lienholders, not exceeding two (2);

(4) The title number;

(5) A description of the vehicle including the following data: year, make, model name, model number, vehicle identification number, type of body, number of cylinders, color or colors not exceeding one upper and one lower color, if the vehicle is a truck, its gross weight;

(6) If last titled in another state, the name of the state and the title number;

(7) Forms for assignment and warranty of title by the owner, and for assignments and warranty of title by dealers;

(8) Any other information the department requires;

(9) A certificate of title issued by the department is prima facie evidence of the facts appearing on it.

SECTION 35. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

An owner who has obtained a certificate of title pursuant to this chapter may apply for and obtain an updated certificate, but shall not be required to periodically renew a certificate of title that has been issued to him.

SECTION 36. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The bureau of vehicle regulation shall:

(1) Be the custodian of the original of each application for a certificate of title, and its supporting documents. It shall retain such records in accordance with a records retention and destruction schedule established pursuant to the archives and records statutes of this state.

(2) Furnish on a periodic basis not less than quarterly to other states, either the original, or a copy, or listings of all certificates of title received from them, to include title and document control numbers in addition to the vehicle description and owner information.

(3) Maintain active liaison with other states regarding vehicle titling and its auto-theft implications, and obtain from them on a regular basis, listings of documents reported missing or stolen or counterfeit.

SECTION 37. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Financing statements relating to vehicles required to be registered in Kentucky through the county clerk shall be filed in the office of the county clerk of the county in which the debtor resides or, if the debtor is a non-resident, in the office of the county clerk in which the vehicle is principally operated.

(2) Before ownership of a vehicle subject to a lien evidenced by a financing statement executed pursuant to KRS Chapter 355 may be transferred, the transferror shall obtain the release of the prior liens in his name against the vehicle being transferred.

(3) No more than two (2) active financing statements as provided by KRS Chapter 355 may be recorded upon a certificate of registration or a certificate of title.

(4) In recording the filing of a financing statement upon a certificate of registration and, when required, a certificate of title, the county clerk shall ensure that the certificate of title and registration bear the lienholder's name, mailing address and zip code, the date the lien was filed, its file number and the county in which the financing statement is on file.

SECTION 38. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

With respect to a vehicle of a year model prior to 1983, if a financing statement and the required fees accompany the application for first registration of a vehicle in the name of an owner, the county clerk shall enter the information required by Section 35(4) of this Act above into the automated system so as to produce a certificate of registration bearing in addition to any other required information, the information designated by Section 35(4) of this Act and shall immediately mail or give the certificate of registration to the owner.

SECTION 39. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) With respect to a vehicle of a year model prior to 1983, previously registered in the name of its debtor, the secured party shall, within ten (10) days after execution of the security agreement, obtain the current certificate of registration in the name of the debtor, with no more than one prior lien indicated thereon, and present it together with the financing statement and the required fees to the county clerk.

(2) The county clerk, utilizing the automated system, shall immediately produce a new certificate of registration bearing all information shown upon the surrendered certificate, and any other information required by the bureau of vehicle regulation, in addition to the information required by Section 35(4) of this Act above, and promptly deliver or mail postpaid, the new certificate of registration to the owner.

(3) The county clerk shall indelibly mark the surrendered certificate of registration using a device specified by the bureau of vehicle regulation containing the county name and the words "cancelled lien filed" and shall print or type the chattel number and date and his initials upon the cancelled certificate, which shall be filed with the clerk's numerical copies of the surrendered and current certificates of registration, except as provided in subsection (4) of this section.

(4) If the cancelled surrendered certificate of registration was originally issued in a county other than the one in which the financing statement is filed, the county clerk who cancels a certificate of registration upon issuing a new certificate of registration, shall immediately mail the cancelled certificate, or other form of notice required by the bureau of vehicle regulation, with the new lien information shown thereon, to the clerk of the county in which that certificate of registration was originally issued.

(5) Upon receipt of the cancelled certificate of registration or notice with the new lien information shown thereon, the receiving clerk shall note the security interest on his copy of the certificate and attach the cancelled original certificate with the lien information shown thereon, to the face of his copy thereof in his alpha/numeric file.

SECTION 40. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

If a lien is to be filed with respect to a vehicle which is required to have a certificate of title, the county clerk shall:

(1) If the vehicle has not been last previously registered in this state, and a financing statement and the required fees accompany an owner's application for a first certificate of registration and a certificate of title, the county clerk shall enter into the automated system, all information required to produce a certificate of registration and a certificate of title and, in addition, all lien information required as provided in Section 35(4) of this Act. The clerk shall thereby produce, in accordance with the design of the automated system, a certificate of registration and a certificate of title, both of which shall be imprinted with the lien information required in Section 35(4) of this Act. The application shall be processed and the title mailed to the owner pursuant to the provisions of this Act.

(2) (a) If the vehicle was last previously registered in this state and its title was withheld pending receipt of lien data, the owner or his agent shall surrender to the county clerk the current certificate of registration together with the financing statement and required fees. The clerk shall examine the certificate of registration, and determine from it, whether, at the time of initial registration of the vehicle, the automated system was instructed to withhold production of a certificate of title pending receipt of lien data. If such instruction was given the system, indication of it will, in accordance with the system design, be imprinted within the lien data section of the certificate in the words "title held for lien data," or similar indication.

(b) If the certificate of registration indicates that the certificate of title for the vehicle was withheld, the county clerk shall, using the automated system, recall the record of the vehicle as contained within the system, and verify the data appearing on his terminal, with that on the certificate of registration surrendered to him. If the data appearing on the terminal is consistent with the data on the certificate of registration surrendered to him, and the financing statement is in order, the clerk shall enter the lien data as required by Section 35(4) of this Act and any other required information, thereby causing a new certificate of registration, and a certificate of title to be produced, both bearing the required lien information.

(c) The clerk shall visually verify that the new certificate of registration bears the required lien information before issuing the new certificate to the owner.

(d) The clerk shall indelibly mark the surrendered certificate of registration using a device containing the county name and the words "cancelled — lien filed," and enter the chattel number and date and his initials upon such cancelled certificate.

(e) If the surrendered certificate of registration which has been cancelled was originally issued in another county, the county clerk shall forward the cancelled certificate to the county of origin, or otherwise give notice of the lien filing, in the manner directed by the department of transportation.

(3) (a) If the vehicle against which a financing statement is sought to be filed was last previously registered in this state and a title was not withheld at the time of initial registration, the county clerk shall require the surrender of the current certificate of registration, and if a title was issued for the vehicle, the certificate of title, together with the financing statement and required fees.

(b) If a certificate of title was issued for the vehicle against which a financing statement is sought to be filed, the certificate will, in accordance with the design of the automated system and the data entered into such system by the county clerk, indicate that a title was ordered issued, and therefor is outstanding.

(c) The county clerk shall indelibly cancel the surrendered certificate of registration and the certificate of title, in the manner described in Section 37(3) of this Act and after assigning a chattel number to the financing statement, enter the lien information required by Section 35(4) of this Act into the automated system. Such action shall result in the production of a new certificate of registration, and a new certificate of title, both bearing the same required lien data. The clerk shall issue or mail postpaid to the owner, such new certificate of registration.

(d) The county clerk shall file or handle the cancelled certificate of registration in the manner directed by the bureau of vehicle regulation. The cancelled certificate of title shall be promptly forwarded, together with a transmittal form similar to that used in transmitting original applications, postpaid to the bureau of vehicle regulation.

(e) The bureau of vehicle regulation shall, upon receiving a certificate of title cancelled for lien data, process the cancelled certificate under the same procedures as applied to original applications for certificates of title, and, unless discrepancies are present, forward a new certificate of title, showing lien data thereon, to the owner.

SECTION 41. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Whenever a security interest is assigned as provided by KRS 186.045(4), the county clerk of a county that is operating under automated procedures shall, in addition to carrying out the requirements of him as stated therein, enter the record of lien assignment into the automated system in the manner directed by the bureau of vehicle regulation.

SECTION 42. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Whenever a security interest to a vehicle has been discharged as provided by KRS 186.045(5), the county clerk of a county that is operating under automated procedures shall, upon receiving a termination statement, promptly enter the record of termination into the automated system in the manner directed by the bureau of vehicle regulation, and take such other action with respect to a termination as is directed by the bureau of vehicle regulation.

SECTION 43. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) If an owner transfers his interest in a vehicle, he shall, at the time of the delivery of the vehicle, execute an assignment and warranty of title to the transferee in the space provided therefor on the certificate of title, and execute the applicable portions of the vehicle transaction record provided for by this chapter, and cause the vehicle transaction record with the certificate of title attached to be delivered to the transferree.

(2) The transferree shall, promptly after delivery to him of the vehicle, execute the application for a new certificate of title and registration, or certificate of registration, and when required, certificate of title, by executing the applicable portions of the vehicle transaction record provided to him by his transferor.

(3) The vehicle transaction record with its supporting documentation attached shall promptly be surrendered to the county clerk as provided in Section 21 of this Act, together with the required fees.

SECTION 44. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) With respect to vehicles of a year model 1983 or any year thereafter, when any motor vehicle dealer licensed in this state buys or accepts such a vehicle in trade, which has been previously registered or titled for use, whether in this or another state, and which he holds for resale, he shall not be required to obtain a certificate of title for it, but shall, within ten (10) days after acquiring such vehicle, obtain the registration of it in his name.

(2) Upon purchasing such a vehicle or accepting it in trade, the dealer shall obtain from his transferor, a properly executed vehicle transaction record, to include the odometer disclosure statement thereon, together with a properly assigned certificate of registration and a properly assigned certificate of title, unless the vehicle is from another state and is not accompanied by a certificate of registration.

(3) The dealer shall execute his application for registration upon the vehicle transaction record provided by his transferor, and shall surrender both the transaction record containing his application, together

with the properly assigned certificate of registration or other document designated by the bureau of vehicle regulation, to the county clerk of the county in which he maintains his principal place of business. Such clerk shall issue to him as produced through the automated system, a certificate of registration in the name of his dealership.

(4) The dealer shall retain the properly assigned certificate of title received from his transferor, and may make any reassignments thereon until the forms for dealer assignment on both the certificate of title and the certificate of registration issued in his name are exhausted. The bureau of vehicle regulation may, if it deems it warranted, after consultation with the bureau of state police, provide a special document to allow for additional dealer assignments without requiring system generated documents.

(5) When he assigns the vehicle to a purchaser for use, he shall deliver the properly assigned certificate of registration in his name, together with the properly assigned certificate of title, and a properly executed vehicle transaction record, to such purchaser, who shall make application for registration and a certificate of title thereon.

(6) The bureau of vehicle regulation shall assure that the automated system is capable of accepting instructions from the county clerk that a certificate of title shall not be produced under a dealer registration situation.

SECTION 45. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The bureau of vehicle regulation shall establish appropriate forms and procedures to be utilized in connection with the transfer of a motor vehicle or trailer by operation of law.

SECTION 46. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Nothing in this chapter shall be construed as requiring that a trade-in vehicle received by a motor vehicle dealer licensed in this state must be registered in the dealer's name substantially simultaneously with the registration and titling of the vehicle toward which the trade-in vehicle was received.

SECTION 47. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Whenever any person after making application for or obtaining a certificate of registration for a vehicle, and when required a certificate of title, shall move from the address named in the application or shown upon a registration card or certificate of title, such person shall within ten (10) days thereafter notify the bureau of vehicle regulation in writing of his old and new addresses.

(2) Whenever the name of any person who has made application for or obtained a certificate of registration and, when required, a certificate of title for a vehicle is thereafter changed by marriage or otherwise such person shall within ten (10) days notify the bureau of vehicle regulation of such former and new name.

SECTION 48. A NEW SECTION KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) When any certificate of registration or certificate of title has been issued in error to a person not entitled to the certificate, or contains incorrect information or information has been omitted from the certificates, the bureau of vehicle regulation shall notify in writing the person to whom the certificates have been issued or delivered and such person shall immediately return such certificate within forty eight (48) hours, together with any other information necessary for the adjustment of the records related to it, to the county clerk of the county in which the title was originally applied for, or as otherwise directed by the bureau of vehicle regulation.

(2) Upon receipt of the certificates and information requested, the county clerk and the bureau of vehicle regulation shall coordinate the production of a corrected certificate of registration and certificate of title, and the cancellation of the erroneous documents by the bureau of vehicle regulation, and ensure that corrected documents are sent to the appropriate party.

(3) Production of corrected documents shall be carried out under procedures similar to those applicable to production of an original certificate of title. The bureau of vehicle regulation shall supply to the county clerk such forms as may be needed to assure documentation of corrective action in accordance with this section.

SECTION 49. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) If a certificate of title is lost, stolen, mutilated or destroyed or becomes illegible, the owner or legal representative of the owner named in the certificate, shall promptly make application to the county clerk for and may obtain a duplicate, upon furnishing information satisfactory to the bureau of vehicle regulation. The duplicate certificate of title shall contain appropriate words or symbols to indicate that it is a duplicate. It shall be mailed to the owner.

(2) The bureau of vehicle regulation shall make provisions for production and issuance of a duplicate title where update of information thereon is requested. The provisions shall be generally consistent with the procedures for production and issuance of a certificate of title in the first instance as provided in this chapter.

(3) A person recovering an original certificate of title for which a duplicate has been issued shall promptly surrender the original certificate to the bureau of vehicle regulation.

(4) Applications for documents provided for by this section shall be made to the county clerk upon forms provided to him by the bureau of vehicle regulation.

SECTION 50. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) The bureau of vehicle regulation shall suspend or revoke a certificate of title, after giving notice and providing a reasonable opportunity for the holder to be heard, when authorized by any other provision of law, or, if it finds:

(a) The certificate of title was fraudulently procured or erroneously issued, or

(b) The vehicle has been scrapped, dismantled or destroyed. Suspension or revocation of a certificate of titles does not, in itself, affect the validity of a security interest noted on it.

(2) When the bureau of vehicle regulation suspends or revokes a certificate of title, the owner or person in possession of it shall, immediately upon receiving notice of the suspension or revocation, mail or deliver the certificate to the bureau of vehicle regulation.

(3) The department shall promptly notify the bureau of state police of the suspension or revocation of any certificate of title.

(4) Any peace officer shall seize and impound any certificate of title which has been suspended or revoked except when such document is in the custody of the bureau of vehicle regulation or the bureau of state police.

SECTION 51. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The bureau of vehicle regulation shall promptly notify the bureau of state police of the particulars of:

(1) Any attempted or actual registration or titling in this state of a stolen motor vehicle, or trailer, or motor vehicle or trailer whose true identity is in doubt, of which it becomes aware;

(2) Counterfeit, stolen or altered ownership document it receives; and

(3) Attempts to supply, or supplying to it, of false or fraudulent information in any application for a certificate of registration, certificate of title or salvage certificate for a motor vehicle or trailer in this state.

SECTION 52. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) No person, including a county clerk and his employes shall wilfully utilize or tamper with a telecommunications terminal, or associated devices, linked to the automated vehicle registration and titling system and capable of entering data or electronic signals into, altering information stored within, or obtaining information or electronic signals from, the automated vehicle registration and titling system unless he has current authorization from the commissioner of the bureau of vehicle regulation to utilize the system;

(2) He has, previous to utilizing such terminal or associated devices in a given county, satisfactorily completed an orientation as given by the bureau of vehicle regulation concerning the forms, procedures, and use of the system, as certified by the county clerk or county clerk elect of the county in which his use of the system will take place; and

(3) He has been assigned, and has received, a unique personal identifying code or device from the bureau of vehicle regulation.

SECTION 53. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Each county clerk, or county clerk elect, shall, before utilizing or permitting his employes to utilize the automated vehicle registration and titling system, ensure that he and his employes have satisfactorily completed an orientation course regarding the forms, procedures and use of the system conducted by the department of transportation.

(2) The county clerk, or county clerk elect, shall certify to the commissioner of the bureau of vehicle regulation, those of his employes or prospective employes, who, together with himself, having satisfactorily completed the required orientation, will utilize the automated system under his direction.

(3) His certification shall be made by printing or typing upon a form supplied by the bureau of vehicle regulation, the name of his county, and as to himself and each of his employes who will utilize the system, their last name, first name, and where available middle initial, their birth date, social security account number, and the date and place the orientation given by the bureau of vehicle regulation was completed, as to each person shown upon the certificate. The county clerk shall sign and date the certificate following a preprinted statement that shall read: I certify under penalty of perjury that the persons whose names appear above have satisfactorily completed an orientation on use of the automated vehicle registration and titling system as provided by this chapter and that the information supplied is true and correct to the best of my knowledge and belief. I will not wilfully permit anyone other than those persons shown hereon, or on another certificate of this same type executed by me, and persons authorized in writing by the bureau of vehicle regulation, to use telecommunications terminals linked to the automated system and under my control.

(4) Each county clerk shall promptly notify the bureau of vehicle regulation on a form supplied by it, of the name of any employe whose authorization to utilize the automated system has been terminated by him or whose employment by such clerk has ceased.

(5) Every county clerk and each of his employes who is authorized to utilize the automated system shall promptly report to the bureau of vehicle regulation any attempted, actual, or suspected misuse of the automated system of which they become aware.

SECTION 54. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Upon receiving notice that a person who has previously been authorized to utilize the automated system has wilfully or negligently misused the automated vehicle registration and titling system, the commissioner of the bureau of vehicle regulation may temporarily suspend such person's authorization to utilize the system.

(2) Whenever he suspends or revokes any person's authorization to utilize the automated vehicle registration and titling system, the commissioner of the bureau of vehicle regulation shall give immediate notice of such revocation to the person whose authorization has been suspended or revoked and if such person is not the county clerk, then notice shall be given also to the county clerk of the county in which the person is employed.

(3) No person whose authorization to utilize the automated system has been suspended or revoked shall utilize such system following notice of such action until his authorization to utilize the system is restored by the commissioner of the bureau of vehicle regulation.

SECTION 55. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No county clerk or other person who is authorized to utilize the automated vehicle registration and titling system, shall knowingly and wilfully enter into such system, information enabling the system to produce a certificate of title and registration, certificate of registration, or certificate of title, or enter the record of a lien or its release, unless he has in his official custody at the time he enters such information into the system, an application which he believes to be bona fide and in proper form, or if the information entry involves a lien, a proper financing or termination statement, which is consistent with the information he enters.

SECTION 56. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

No county clerk or other person shall knowingly and wilfully enter any information or record into a telecommunications terminal or other device connected to the automated vehicle registration and titling system, knowing that the information or record entered into such device is false, fraudulent, illegitimate, or contains erroneous information that:

(1) Creates, or enables the system to create, a certificate of title and registration, certificate of registration, or certificate of title, that is illegitimate or that contains information that is false, fraudulent or erroneous; or

(2) Results in the system storing information or a record that is false, fraudulent or contains erroneous information; or

(3) Fraudulently, illegitimately, or maliciously alters information or records stored within the system.

SECTION 57. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) No person shall, without prior specific written approval of the commissioner of the bureau of vehicle regulation and the commissioner of the bureau of computer services, connect with the automated vehicle registration and titling system, directly or indirectly, by wire, electronic, electromagnetic induction, systemic, or any other means, any device, system or apparatus capable of putting information or electronic signals into, or receiving information or electronic signals from, or blocking, diverting, or altering transmission of data or signals within, the automated vehicle registration and titling system, its components, and its communications network.

(2) This section does not apply to or prohibit connection of devices or systems to the automated vehicle registration and titling system by persons who are acting in accordance with a contract or agreement with the Commonwealth of Kentucky, which in addition to any other required approval, has been approved in writing by the commissioner of the bureau of vehicle regulation and the commissioner of the bureau of computer services.

SECTION 58. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) A system operation policy committee shall be established by the bureau of vehicle regulation for the purpose of ensuring that there is an appropriate body charged with advising the commissioner of the bureau of vehicle regulation regarding operation of the automated vehicle registration and titling system.

(2) The committee shall be chaired by a person designated by the commissioner of the bureau of vehicle regulation. Its membership shall be composed of persons designated by the respective agencies as indicated: The departments of transportation and the county clerk's association, two representatives each. The

departments of revenue and insurance, one representative. The bureau of computer services and the bureau of state police, one representative each.

(3) Staff support for the committee shall be provided by the bureau of vehicle regulation. The department may reimburse in accordance with state travel regulations, the travel expenses of members in connection with their attendance at meetings of the committee. Meetings of the committee shall be held quarterly and at such other times as the commissioner of the bureau of vehicle regulation may request. The committee shall issue quarterly reports to apprise county clerks and other concerned persons of matters affecting overall system operation, system misuse and error rates, and the recommended action to prevent or reduce the incidence of system misuse and errors.

SECTION 59. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Regardless of other provisions of the statutes, the county clerk may omit sending duplicates of each certificate of title and registration, or certificate of registration he issues, to the departments of transportation and revenue, and the property valuation administrator, and may omit the production and filing of one of the copies formerly known as either the county clerk's alpha or his numeric copy, when it is determined by the agencies indicated that their need for "duplicates" of each certificate or "receipt" is obviated by the automated system.

(2) The bureau of vehicle regulation and the department of revenue shall, as agreed between them, provide appropriate system support or computerized listings on magnetic tape or disc, printouts, or system access, to fulfill the information needs formerly requiring duplicates of each certificate or receipt.

SECTION 60. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) A salvage certificate shall be obtained for any vehicle that is salvaged, junked, scrapped, destroyed or dismantled, beginning with vehicles of a year model 1983, or any year thereafter, for any vehicle of the current year, as determined each year, and the preceding four (4) model years.

(2) The governor may by executive order, in accordance with Section 11 of this Act, extend to 1984 the first year model vehicle for which, as provided in this chapter, a salvage certificate may be required and for which records must be maintained.

(3) Application for a salvage certificate shall be made to the county clerk upon forms supplied to the county clerk by the bureau of vehicle regulation, giving all required information, and attesting under penalty of perjury to the truthfulness of the information supplied.

SECTION 61. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) When an insurance company has paid a total loss claim or settlement for a wrecked or damaged or stolen motor vehicle or trailer insured by it, the company shall obtain a properly assigned certificate of title from the owner, and stamp upon it, the word "salvage" in the manner specified by the bureau of vehicle regulation.

(2) Within thirty (30) days following its receipt of a properly assigned certificate of title, the insurance company shall make application to the county clerk for a salvage certificate.

(3) The application of an insurance company for a salvage certificate may be submitted to any county clerk except that, if an unterminated lien is indicated on such title, it shall be submitted to the county clerk of the county in which the lien is filed. If a vehicle for which a salvage certificate is sought, is subject to more than one unterminated lien as indicated by the certificate of title, the insurance company shall obtain notation of release upon the certificate as to one of the liens, and thereafter tender the application, cancelled certificate of title and termination statement to the county clerk of the county in which the unterminated lien is filed.

(4) The properly marked certificate of title, and a termination statement if applicable, shall accompany the company's application for a salvage certificate.

(5) The insurance company may designate in its application, a salvage buyer who is to receive the salvage certificate.

(6) The county clerk shall mark the company's copy of its application to serve as a receipt for salvage and mail it postpaid or give it to the insurance company or its designee.

SECTION 62. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The owner of any vehicle of a year model 1983 or any year thereafter that is destroyed, or has become economically unrepairable, shall, before selling the vehicle to any person, firm or corporation for scrap, parts, salvage or junk, obtain the release of any lien pertaining to the vehicle and thereafter submit the certificate of title to any county clerk in this state together with a properly executed application for a salvage certificate for such vehicle.

SECTION 63. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Any person, firm or corporation doing business in the salvage, scrapping, junking, dismantling or recycling of motor vehicles or trailers who comes into possession of a vehicle of a year model 1983 or any year thereafter not accompanied by a salvage certificate, shall, within ten (10) days after receiving such vehicle, surrender its certificate of title, whether issued in this or another state, together with a properly executed application for a salvage certificate, to the county clerk in the county in which his principal place of business is located and apply for a salvage certificate for the vehicle.

SECTION 64. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The county clerk shall retain a copy of each salvage certificate application he receives and shall forward the original and its supporting documents to the bureau of vehicle regulation in a manner similar to that for handling of an application for a title.

SECTION 65. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The bureau of vehicle regulation shall process the salvage certificate application in a manner similar to that used in processing a title application, and the salvage certificate shall be mailed to the owner of it.

SECTION 66. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Salvage certificates shall be obtained under the same general requirements and procedures as for certificates of title as provided in this chapter.

SECTION 67. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The department of transportation shall ensure that the automated system is capable of creating a salvage certificate in the same manner as a certificate of title.

SECTION 68. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Salvage certificates may be assigned without notice to the bureau of vehicle regulation. This section does not diminish the record keeping requirements imposed by Section 68 of this Act.

SECTION 69. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Disposal facilities which purchase or otherwise acquire salvage motor vehicles that have been totally demolished or destroyed as a result of normal processing performed by a disposal facility business are not required to apply for and receive a salvage certificate for the vehicles.

(2) When any salvage motor vehicle, both covered and not covered by this chapter, are totally demolished or destroyed by a disposal facility or automotive salvage rebuilder, the certificate of title and salvage certificate shall be surrendered to the bureau of vehicle regulation.

SECTION 70. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Any person, firm or corporation doing business as a vehicle parts recycler, vehicle salvage yard, junkyard, dismantler, or used auto parts dealer, beginning with motor vehicles and motor vehicle parts of a year model 1983 or any year thereafter, shall maintain records for the current year, as determined each year, and the preceding four (4) model years of receipt and disposition of each:

(a) Vehicle;
(b) Engine;
(c) Transmission;
(d) Frame;
(e) Front clip ("dog-house");
(f) Rear clip;
(g) Top clip;
(h) Cowl clip;
(i) Truck cab;
(j) Truck bed;
(k) Other major components described by regulations of the bureau of vehicle regulation.

(2) His records with respect to such receipt and disposition shall indicate as to each item listed, the date of the transaction, the name and mailing address including street address, city and state of each person or entity from whom he receives such items or to whom he sells, trades or gives such items, together with the make, year model, model name, vehicle identification number, or as applicable, serial number, and color or colors not exceeding two, of the vehicle, and in the case of the component parts listed, the vehicle from which component part was removed. Recording color is not applicable to items (1)(b), (c), and (d) of this section.

(3) Such records shall be maintained by vehicle make and year.

(4) Each component part identified in Section 1 of this section which does not have a readily visible vehicle identification number, and which has been separated from the vehicle to which it was originally

attached, shall be marked using a waterproof indelible marker with the vehicle identification number of the vehicle from which it was removed.

(5) It shall be the responsibility of any person, firm or corporation doing business as indicated in subsection (1) of this section to ensure that the provisions of this section are complied with, and to make the required records and related vehicles and parts available for inspection at his place of business upon request of a peace officer.

SECTION 71. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Any peace officer may enter upon the premises of a business as described in subsection (1) of Section 68 of this Act without a warrant, during normal business hours or at such other times as it appears that business is being transacted on the premises, and make an inspection of the records such business is required to maintain as provided in this chapter, and the vehicles or component parts of vehicles upon the premises.

SECTION 72. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

The owner of a truck regularly operated in this state which is permanently or semi-permanently equipped with a winch, hydraulic, or other lifting device intended to raise one end of a vehicle so that it may be towed, shall before operating it as a tow truck or wrecker:

(1) Have the true name, address, and telephone number, including telephone area code, of its owner, or operator, if it is usually operated in the name of a firm or person other than its owner, permanently and legibly displayed upon each front door of its cab.

(2) The name and address shall be displayed in letters and numbers individually not less than three (3) inches high, and shall be of a color contrasting with the background on which they are displayed.

SECTION 73. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Any person who rents or leases a vehicle to another in this state, or for use in this state, shall:

(1) Maintain a record, beginning on the day on which a renter or lessee takes possession of such vehicle, and ending three (3) years following the date on which the vehicle is returned, which contains with respect to each vehicle rented or leased:

(a) Its year model, make, model name, vehicle identification number, license plate number; and

(b) The renter or lessee's full name, date of birth, social security account number or employer identification number, driver's license number, mailing address and telephone number including telephone area code; and

(c) The starting and ending dates of the renter or lessee's possession of the vehicle.

(2) Any person who has rented or leased a vehicle to another, or the agent of such person, shall make such information available promptly upon the request of a law enforcement officer who presents his official identification during normal business hours, or at other times, if an emergency exists and he is advised of such fact, and given a name, license number, vehicle identification number, or other reasonable information to enable a search of records.

SECTION 74. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) No person, except as provided in subsection (3) of this section shall have in his possession any blank, uncompleted, or partially executed "certificate of title and registration," "certificate of registration," "certificate of title," "salvage certificate," or other similarly styled form or document, whether genuine or counterfeit, of this or any other state or country, which is of a type that, when genuine and properly issued, evidences ownership of a vehicle under the laws of this or another state or country, and surrender of which is required in order to sell, transfer, register or title a motor vehicle or trailer in this state.

(2) A person who possesses forms or documents of the type described in subsection (1) of this section, is not in violation of this section if he:

(a) Is an employe of a manufacturer or printer of such forms or documents and possesses such forms or documents in the normal course of the business of design or manufacture of them in connection with bid invitation, bid, or contract with a governmental agency related to supplying such forms for governmental use.

(b) Is an employe of a shipper, or agency, under whose direction such forms are being shipped or delivered to a state or local agency charged with receiving, distributing or issuing such forms or documents, when they are in a container sealed under governmental direction.

(c) Is an employe of a state agency who possesses such forms or documents in the course of carrying out his official duties when his duties are to handle such forms or documents.

(d) Is a county clerk, or employe of a county clerk whose official work duties require the handling of such forms or documents, and he possesses them within the confines of the county clerk's office or official storage space or immediately incidental to placing them in such places.

(e) Possesses such form or document and it is prominently and indelibly marked on its face either: specimen, or void, or sample.

SECTION 75. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) No person shall intentionally remove, deface, cover, destroy, alter, or obscure any vehicle identification number, or other distinguishing number, of a motor vehicle or trailer or any part thereof in this state, without written authorization from the bureau of state police, nor shall any person place or stamp, in place of the original manufacturer's serial, motor, or other number or mark upon a vehicle, any number except one assigned thereto by the bureau of state police or authorized agency of another state.

(2) This section does not prohibit the restoration by an owner of the original vehicle identification number when the restoration is authorized by the bureau of state police, nor prevent any manufacturer from placing in the ordinary course of business numbers or marks upon new motor vehicles or new parts thereof.

SECTION 76. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) No person shall knowingly buy, sell, offer for sale, receive, or have in his possession, any motor vehicle or trailer or component part thereof, from which the original manufacturer's vehicle identification number, or serial number, has been removed, defaced, altered, obscured or destroyed, unless such vehicle or component part has attached thereto an identification number assigned or approved by the bureau of state police or authorized agency of another state in lieu of the manufacturer's number.

(2) Whenever such vehicle or component part comes into the custody of a peace officer it shall be forfeited under the procedure established in KRS 500.090. Nothing in this section shall, however, preclude the return of such vehicle or parts to the lawful owner thereof following presentation of satisfactory evidence of ownership and assignment of an identification number by the bureau of state police.

SECTION 77. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) No person shall have in his possession a manufacturer's vehicle identification number plate unless it is attached to the vehicle, or vehicle part, to which it was originally affixed by the manufacturer, nor shall any person have any facsimile of such a plate.

(2) This section shall not prohibit possession of legitimate plates by persons:

(a) Whose possession is incident to a contract to supply them to a manufacturer of new motor vehicles, or when such plates are in the possession of a manufacturer of new vehicles, or such manufacturer's employe, who possesses them within the scope of his work, when his work involves the manufacture or storage of such plates, for legitimate placement upon newly manufactured vehicles, legitimate affixing of such plates upon newly manufactured vehicles, or legitimate affixing of a replacement plate.

(b) Who possess such plate immediately incident to transferring it from being legitimately attached to a wrecked part or portion of a vehicle to a replacement part or portion for installation on, or installed on, the same vehicle or which the plate was originally placed by the manufacturer, when such possession and transfer is authorized in writing by the bureau of state police.

(c) Who are authorized in writing, by the supervisor of the bureau of state police auto theft section, to possess such plates.

SECTION 78. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) When any peace officer has probable cause to believe that a motor vehicle or trailer, or any component part of such vehicle is stolen, he shall impound such vehicle or part and notify its lawful owner, and when applicable, the agency to which the theft was reported, of the recovery of such vehicle or part and where it may be claimed.

(2) A vehicle or component part thereof which has been impounded pursuant to this section shall be released to its lawful owner when such owner presents satisfactory evidence of his ownership.

(3) A vehicle or component part thereof that has been impounded under this section, and which has not been claimed within ninety (90) days following notice of recovery to the owner, or if the owner cannot be located after a reasonable effort, within ninety (90) days following impoundment, is forfeited and shall be disposed of in accordance with KRS 500.090.

SECTION 79. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Any person who has in his possession or control two (2) or more motor vehicles or trailers or their parts:

(a) That are stolen; or

(b) Have had their identity obscured, removed or altered; or

(c) Have stolen parts on them; or

(d) Are comprised of any combination of the above;

Shall be deemed to be trafficking in stolen vehicles or stolen vehicle parts.

(2) Trafficking in stolen vehicle or stolen vehicle parts is a Class C felony.

SECTION 80. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Upon the arrest of any person for violation of this Act the law enforcement officer shall cause the seizure of:

(a) All vehicles held in violation of this Act or of KRS Chapter 514; and

(b) All vehicles and other equipment used to transport property in violation of this Act or of KRS Chapter 514; and

(c) All tools, equipment, and other materials, and all real and personal property used in furtherance of a violation of this Act or of KRS Chapter 514; and

(d) All money or other proceeds from the violation of this Act or of KRS Chapter 514.

(2) Upon the conviction of any person for violation of this Act or KRS Chapter 514 all items listed in subsection (1) shall be forfeited to the state and may be disposed of as provided in KRS Chapter 500.

SECTION 81. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Any person aggrieved by any administrative action pursuant to this chapter or regulations promulgated pursuant thereto, may appeal such action to a court of competent jurisdiction.

SECTION 82. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) Any person who knowingly gives false, fraudulent, or erroneous information in connection with an application for the registration, and when required, titling of a vehicle, or any application for assignment of a vehicle identification number, or replacement documents, or for a salvage certificate, or gives such information in connection with his review of such applications, or falsely certifies the truthfulness and accuracy of information supplied in connection with the registration and when required, titling of a vehicle, shall be guilty of perjury in the second degree.

(2) Any person who violates Sections 50, 52, 54 or 55 of this Act shall be guilty of a Class C felony.

(3) Any person who violates Sections 72, 73, 74, 75, 77 or 78 of this Act shall be guilty of a Class D felony.

(4) Any person who operates a motor vehicle or trailer upon the highways of this state without a temporary tag when one is required, or with one that is expired, improperly executed, or displayed on a vehicle other than the one to which it was legitimately and lawfully issued, shall be guilty of a Class B misdemeanor.

(5) Any person who violates any provisions of this chapter, or regulations promulgated pursuant thereto, and for which a specific penalty is not prescribed by statute, shall be guilty of a Class A misdemeanor.

(6) Criminal remedies or sanctions provided in this chapter are in addition to, and not exclusive of, any other criminal remedies or sanctions provided elsewhere in the statutes.

SECTION 83. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS

Unless the context requires otherwise, terms used in this chapter shall be defined, where applicable, as provided by KRS 186.010.

Section 84. There is hereby appropriated from the general expenditure fund of the state treasury, to the department of transportation, for purposes of implementing this Act, $2,600,000 in fiscal year 1980-81 and $4,350,000 in fiscal year 1981-82.

HB 426, AN ACT relating to the licensing of motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.173 is amended to read as follows:

(1) Upon application to the *department of transportation* [county clerk of the county of his residence], a member of the Kentucky national guard shall be issued a license plate in the same form and character as license plates authorized by law to be used on passenger cars. This license plate may be issued for a passenger car as set forth in KRS 186.050(1) or for a commercial vehicle as set forth in KRS 186.050(3)(a), but shall not authorize the operation of the vehicle at a gross laden weight in excess of 6,000 pounds. The plate shall bear the name "Kentucky National Guard", a registration number, and the logo of the national guard. The guardsman may purchase only one such registration annually and it must be for a vehicle in which he has total or partial ownership. Each application shall be accompanied by proof of current service in the Kentucky national guard, and the payment of a one-time fee of twenty-five dollars ($25). License plates issued under this section shall expire on December 31. Annually thereafter, upon application to the *department of transportation* [county clerk of the county of his residence], together with proof of current service in the Kentucky national guard, and without payment of a registration fee, the *department* [clerk] shall issue a new plate, or a renewal decal[, as directed by the department of transportation].

(2) (a) Upon the sale or transfer of a vehicle licensed as authorized by subsection (1) of this section, the owner shall remove the national guard license plate and return it and the certificate of title and registration to the *department of transportation which* [county clerk. The clerk] shall issue a regular license plate, and certificate of title and registration, upon payment of an eleven dollar fifty cent ($11.50) state fee and one dollar ($1) clerk's fee.

(b) Upon application of another vehicle which is authorized to bear such registration under subsection (1) of this section, owned by the same applicant to whom the national guard license plate was originally issued the *department* [county clerk] shall issue another such license plate. There shall be no state fee for this plate [and one dollar ($1) clerk's fee].

(3) Upon termination of membership in the Kentucky national guard, an applicant to whom a national guard license plate was issued under this section shall, within thirty (30) days, return the national guard plate to the *department of transportation* [county clerk of the county of his residence].

(4) For the services performed in issuing *applications for* national guard license plates, [and in annually issuing a renewal decal to be affixed to the national guard license plate,] the county clerk shall receive from each applicant a fee of one dollar ($1). [A like fee shall be charged for the issuance of another replacement license plate after the sale or transfer of the vehicle for which it was originally issued.]

(5) The secretary of the department of transportation shall in accordance with the provisions of KRS Chapter 13 make such reasonable regulations and prescribe such forms as may be necessary to carry out the purpose of this section.

Section 2. KRS 186.174 is amended to read as follows:

(1) Any owner of a motor vehicle required to be registered under the provisions of KRS 186.050(1) or (3)(a), except taxicabs, airport limousines and U-Drive-Its, may, in addition to registration under KRS 186.050(1) or (3)(a), obtain a personalized license plate. A personalized plate shall not be issued unless an application accompanied by a fee of twenty-five dollars ($25) is received by the department of transportation on or before September 1 preceding the year in which the plate or renewal thereof is to be issued. Any payments required to be made under this section shall be in the form of a certified check, cashier's check or a money order. An application for such personalized license plate shall in no way interfere with the regular registration of the motor vehicle except as provided hereinafter. Any person purchasing a personalized license plate under the provisions of this section shall [leave the original license plate in the custody of the county clerk and] attach the personalized plate to the *front of the* motor vehicle so licensed. Upon the sale or transfer of such motor vehicle bearing such personalized plate the owner shall remove same [and obtain from the custody of the county clerk the original plate and attach it to the motor vehicle to be sold or transferred]. Said personalized plate may be *used* [presented to the county clerk and he shall reissue same for use] on any other vehicle of the same class and category as that for which the license was originally issued. License plates issued under this section shall expire December 31.

(2) No personalized plate shall be issued which would conflict with or duplicate the alphabetical-numerical system used for regular license plates or any other license plates issued in this Commonwealth, and it shall contain a combination of not more than six (6) letters of the alphabet and arabic numerals, including spaces. No personalized plate shall be issued if, in the discretion of the department, it carries such letter or number combinations which might carry connotations offensive to good taste and decency. The owner must make a new application and pay a new fee each year he desires to obtain a personalized plate. Once an owner obtains a personalized plate, he will have first priority on that plate for each of the following years that he makes timely and proper application.

(3) In the event a personalized plate is lost, stolen or mutilated, the owner may not obtain another such plate until the next registration year. He may, however, obtain the plate for which he had originally registered his motor vehicle under the provisions of KRS 186.050(1) or (3)(a).

(4) *Applications for* [The department shall send] the personalized plate *may be obtained from* [to] the county clerk in the county in which the applicant would be required to register his motor vehicle. [Upon payment to] The clerk *shall receive* [of] a fee of one dollar ($1.00), *for the distribution of each application* in addition to the regular registration fee and the additional license fee as provided for in this section[, the clerk shall issue the personalized plate to the applicant by following the same procedure for the issuance of any license plate under KRS 186.050(1)].

(5) The secretary of transportation may make such rules and regulations as he deems necessary to further the purposes of this section.

Section 3. KRS 186.177 is amended to read as follows:

(1) Owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are residents of this state and who hold an unrevoked and unexpired official amateur radio station and operator's license issued by the federal communications commission, upon application for each licensing year, accompanied by proof of ownership of such amateur radio licenses, and upon complying with all other laws of this state relating to the registration and licensing of motor vehicles, and upon the payment of an additional license fee of twenty-five dollars ($25) shall be issued an additional license plate upon which shall

be inscribed, [in lieu of the usual number,] the official amateur radio call letters of the station of such applicant as assigned by the federal communications commission, and the year for which the plate is issued. An application for such special license shall in no way interfere with the regular registration of the vehicle, except as provided hereinafter. Any person purchasing a license plate under the provisions of this section shall be authorized to [leave the original plate in the custody of the county clerk and] attach the plate bearing the radio call letters on the *front of the* vehicle so licensed. Upon the sale or transfer of such vehicle bearing such special plate the owner shall remove same [and obtain from the custody of the county clerk the original plate and attach it to the vehicle to be sold or transferred. Said special plate may be presented to the county clerk] and he shall [reissue same for] use *it* on any other vehicle of the same class and category as that for which the license was originally issued and owned by such radio station licensee. The application shall be at such time and on such forms as may be reasonably prescribed by the secretary of the department of transportation, and the special plate shall be issued at such time as he shall reasonably prescribe. License plates issued under this section shall expire on December 31. A license plate shall not be issued under this section unless an application accompanied by a fee of twenty-five dollars ($25) is received by the department of transportation on or before September 1, preceding the year in which the plate or renewal thereof is to be issued. Any payments required to be made under this section shall be in the form of a certified check, cashier's check or a money order.

(2) For *the distribution of such applications* [services performed], the county clerk shall receive from each applicant in addition to the regular registration fee and to the additional license fee as provided for in this section, the additional sum of one dollar ($1.00) for each registration under this section. A like amount shall be charged for the reissuance of such special license plate after the sale or transfer of the vehicle to which it was originally attached.

(3) The secretary of the department of transportation may make such reasonable rules and regulations as he deems necessary to further the purpose of this section.

Section 4. KRS 186.178 is amended to read as follows:

(1) Upon application for each licensing period, and payment of an additional license fee of twenty-five dollars ($25), owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are duly elected members of the general assembly shall be issued an additional license plate upon which shall be inscribed, [in lieu of the usual registration number,] letters indicating whether applicant is a senator or representative followed by the number of applicant's senatorial or legislative district (i.e. SENATE-38 or HOUSE-30), and in place of the county name, the word "LEGISLATURE," and the licensing period for which the plate is issued.

(2) Any person who has been sworn as a member of the general assembly, or who has received his certificate of election to the general assembly and whose election is not being challenged, may apply for the special legislative license plate authorized by this section, provided the term of office to which he was elected shall not expire before the end of the licensing period, and provided that he has complied with all other laws of this state relating to the registration and licensing of motor vehicles.

(3) Applications shall be filed with the [county clerk of the county in which the legislator resides and the clerk shall forward the applications promptly to the] department of transportation, noting thereon the current registration number of the vehicle for which the special legislative plate is being sought. The department shall thereupon deliver the special legislative plate to the *applicant* [county clerk]. The legislator shall [leave the original plate in the custody of the county clerk and] attach the special legislative plate to the *front of the* vehicle so licensed. License plates issued under this section shall expire on February 28 of the following year after purchase except for those members who will not be members of the legislature for that year. The outgoing members' special legislative plates shall expire on December 31 of the year purchased.

(4) Upon the sale or transfer of a vehicle bearing such special legislative license plate, the owner shall remove same [and obtain from the custody of the county clerk the original plate and attach it to the vehicle to be sold or transferred]. Said special legislative plate shall be *placed* [reissued by the county clerk for use] on any other vehicle owned by the legislator and authorized to be registered under the provisions of KRS 186.050(1) or (3)(a).

(5) For services performed, the county clerk shall receive from each applicant in addition to the regular registration fee and to the additional license fee as provided for in this section the additional sum of one dollar ($1) for each *application distributed* [registration] under this section. A like amount shall be charged for the reissuance of such special license plate after the sale or transfer of the vehicle to which it was originally attached.

(6) The secretary of the department of transportation shall make such reasonable rules and regulations, and prescribe such forms, as are deemed necessary to further the purpose of this section.

Section 5. KRS 186.179 is amended to read as follows:

(1) Upon application for each licensing period, owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are duly elected or appointed justices or judges of the Court of Justice shall be issued *an* [two (2)] additional license *plate* [plates] for an additional annual license fee of twenty-five dollars ($25).

(2) On license plates for justices of the Supreme Court, other than the chief justice, shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, [and in lieu of the usual registration number,] the initials "JSC" followed by the Supreme Court district from which they serve, and in lieu of the county name, the words "SUPREME COURT." On the plates issued to the chief justice shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, "-1-", and in lieu of the county name, the words "CHIEF JUSTICE."

(3) On the plates for judges of the Court of Appeals, other than the chief judge, shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number the number of the appellate district from which they serve, followed by the initials "CA", followed by the division number which they serve, and in lieu of the county name the words "COURT OF APPEALS." On plates issued to the chief judge shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, "-1-", and in lieu of the county name, the words "COURT OF APPEALS."

(4) On the plates for circuit judges shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number the number of the judicial circuit which they serve followed by the initial "C", followed by the number of the division which they serve, if any, and in lieu of the county name the word "JUDICIARY."

(5) On the plates for district judges shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, the number of the judicial district which they serve followed by the initial "D", followed by the number of the division which they serve, if any, and in lieu of the county name the word "JUDICIARY."

(6) Any person who has been sworn as a justice or judge of the Court of Justice, or who has received his certificate of election to the Court of Justice and whose election is not being challenged, may apply for the special judicial license plates authorized by this section, provided the term of office to which he was elected shall not expire before the end of the licensing period, and provided that he has complied with all other laws of this state relating to the registration and licensing of motor vehicles.

(7) Applications shall be filed with [the county clerk of the county in which the judge resides and the clerk shall forward the applications promptly to] the department of transportation, noting thereon the current registration number of the vehicle for which the special judicial plates are being sought. The department shall thereupon deliver the special judicial plates to the *applicant* [county clerk]. The judge shall [leave the original plate in the custody of the county clerk and] attach the special judicial *plate* [plates] to the *front of the* vehicle so licensed[; one license plate attached to the front of the vehicle, and one license plate attached to the rear of the vehicle]. Licenses issued under this section shall expire December 31.

(8) Upon the sale or transfer of a vehicle bearing such special judicial license plates, the owner shall remove same and obtain from the custody of the county clerk the original plate, and attach it to the vehicle to be sold or transferred. Said special judicial plates shall be *attached to* [reissued by the county clerk for use on] any other vehicle owned by the judge and authorized to be registered under the provisions of KRS 186.050(1) or (3)(a).

(9) For *the distribution of such applications* [services performed], the county clerk shall receive from each applicant in addition to the regular registration fee and the additional license fee provided for in this section, the additional sum of one dollar ($1.00) [for each registration under this section. A like amount shall be charged for the reissuance of such special license plates after the sale or transfer of the vehicle to which it was originally attached].

(10) In the event a judicial plate is lost, stolen or mutilated, the owner may not obtain another such plate until the next registration year. He may, however, obtain the plate for which he had originally registered his motor vehicle under the provisions of KRS 186.050(1) or (3)(a).

(11) The secretary of the department of transportation shall make such reasonable rules and regulations, and prescribe such forms, as are deemed necessary to further the purpose of this section.

Section 6. KRS 186.182 is amended to read as follows:

(1) The department of transportation shall issue, free of charge, a certificate of registration and one (1) license plate to each recipient of the congressional medal of honor who is a resident of Kentucky.

(2) The license plate in subsection (1) of this section shall be printed in two (2) colors, blue and white, and shall follow the color scheme for all figures and letters as prescribed for passenger cars. Each tag shall contain the name or an abbreviation of the state and the words "Medal of Honor" and a number uniquely identifying each recipient[,]. *Such plates shall be attached to the front of the vehicle so licensed* [in lieu of registration numbers].

(3) License plates provided under this section shall be issued only as long as the medal of honor recipient is the owner of the motor vehicle. Such license plates are not transferable to any person not entitled to them under this section. License plates issued under this section shall expire on December 31. *Such license plates shall in no way interfere with the regular registration of the vehicle, except as provided herein.*

(4) No county, city or any other political subdivision of this state shall require any license fee from any medal of honor recipient for the privilege of operating a motor vehicle upon the streets or alleys of any

political subdivision, any other provisions of laws to the contrary notwithstanding. *Upon presentation of the certificate of registration provided for in subsection (1) of this section to the county clerk where the applicant resides, the clerk shall issue a license plate, free of charge, to the applicant.*

(5) Application for the special license plates shall be made to the department in accordance with such regulations as the department may have issued. *Application forms may be obtained from the county clerk of the county in which the applicant resides.*

(6) The department may make such reasonable rules and regulations as it deems necessary to further the purpose of this section.

The Committee Substitute to **HB 426** is as follows:

HB 426, AN ACT relating to the licensing of motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.174 is amended to read as follows:

(1) *(a)* Any owner of a motor vehicle required to be registered under the provisions of KRS 186.050(1) or (3)(a), except taxicabs, airport limousines and U-Drive-Its, may, in addition to registration under KRS 186.050(1) or (3)(a), obtain a personalized license plate. A personalized plate shall not be issued unless an application accompanied by a fee of twenty-five dollars ($25) is received by the department of transportation on or before September 1 preceding the year in which the plate or renewal thereof is to be issued. Any payments required to be made under this section shall be in the form of a certified check, cashier's check or a money order. *Upon application to the county clerk of the county of his residence, the clerk shall issue said personalized plate and receive the fee of one dollar ($1)* [An application for such personalized license plate shall in no way interfere with the regular registration of the motor vehicle except as provided hereinafter. Any person purchasing a personalized license plate under the provisions of this section shall leave the original license plate in the custody of the county clerk and attach the personalized plate to the motor vehicle so licensed]. Upon the sale or transfer of such motor vehicle bearing such personalized plate the owner shall remove same *and return it and certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration upon payment of the appropriate fee* [and obtain from the custody of the county clerk the original plate and attach it to the motor vehicle to be sold or transferred. Said personalized plate may be presented to the county clerk and he shall reissue same for use on any other vehicle of the same class and category as that for which the license was originally issued]. License plates issued under this section shall expire December 31.

(b) When said personalized plate has been presented to the clerk he shall reissue same for use on any other vehicle of the same class and category as that for which the license was originally issued for a fee of one dollar ($1).

(2) No personalized plate shall be issued which would conflict with or duplicate the alphabetical-numerical system used for regular license plates or any other license plates issued in this Commonwealth, and it shall contain a combination of not more than six (6) letters of the alphabet and arabic numerals, including spaces. No personalized plate shall be issued if, in the discretion of the department, it carries such letter or number combinations which might carry connotations offensive to good taste and decency. The owner must make a new application and pay a new fee each year he desires to obtain a personalized plate. Once an owner obtains a personalized plate, he will have first priority on that plate for each of the following years that he makes timely and proper application.

(3) In the event a personalized plate is lost, stolen or mutilated, the owner may not obtain another such plate until the next registration year. He may, however, obtain *a regular plate for the regular fee for a lost plate* [the plate for which he had originally registered his motor vehicle under the provisions of KRS 186.050(1) or (3)(a)].

(4) The department shall send the personalized plate to the county clerk in the county in which the applicant would be required to register his motor vehicle. Upon payment to the clerk of a fee of one dollar ($1.00), in addition to the regular registration fee and the additional license fee as provided for in this section, the clerk shall issue the personalized plate to the applicant by following the same procedure for the issuance of any license plate under KRS 186.050(1).

(5) The secretary of transportation may make such rules and regulations as he deems necessary to further the purposes of this section.

Section 2. KRS 186.177 is amended to read as follows:

(1) Owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are residents of this state and who hold an unrevoked and unexpired official amateur radio station

and operator's license issued by the federal communications commission, upon application for each licensing year, accompanied by proof of ownership of such amateur radio licenses, and upon complying with all other laws of this state relating to the registration and licensing of motor vehicles, and upon the payment of an additional license fee of twenty-five dollars ($25) shall be issued an additional license plate upon which shall be inscribed, in lieu of the usual number, the official amateur radio call letters of the station of such applicant as assigned by the federal communications commission, and the year for which the plate is issued. *Upon application to the county clerk of the county of his residence, the clerk shall issue said license plate* [An application for such special license shall in no way interfere with the regular registration of the vehicle, except as provided hereinafter. Any person purchasing a license plate under the provisions of this section shall be authorized to leave the original plate in the custody of the county clerk and attach the plate bearing the radio call letters on the vehicle so licensed]. Upon the sale or transfer of such vehicle bearing such special plate the owner shall remove same *and return it and certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration upon payment of the appropriate fee* [and obtain from the custody of the county clerk the original plate and attach it to the vehicle to be sold or transferred. Said special plate may be presented to the county clerk and he shall reissue same for use on any other vehicle of the same class and category as that for which the license was originally issued and owned by such radio station licensee]. The application shall be at such time and on such forms as may be reasonably prescribed by the secretary of the department of transportation, and the special plate shall be issued at such time as he shall reasonably prescribe. License plates issued under this section shall expire on December 31. A license plate shall not be issued under this section unless an application accompanied by a fee of twenty-five dollars ($25) is received by the department of transportation on or before September 1, preceding the year in which the plate or renewal thereof is to be issued. Any payments required to be made under this section shall be in the form of a certified check, cashier's check or a money order.

(2) For services performed, the county clerk shall receive from each applicant in addition to the regular registration fee and to the additional license fee as provided for in this section, the additional sum of one dollar ($1.00) for each registration under this section. A like amount shall be charged for the reissuance of such special license plate after the sale or transfer of the vehicle to which it was originally attached.

(3) The secretary of the department of transportation may make such reasonable rules and regulations as he deems necessary to further the purpose of this section.

Section 3. KRS 186.178 is amended to read as follows:

(1) Upon application for each licensing period, and payment of an additional license fee of twenty-five dollars ($25), owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are duly elected members of the general assembly shall be issued an additional license plate upon which shall be inscribed, in lieu of the usual registration number, letters indicating whether applicant is a senator or representative followed by the number of applicant's senatorial or legislative district (i.e. SENATE-38 or HOUSE-30), and in place of the county name, the word "LEGISLATURE," and the licensing period for which the plate is issued.

(2) Any person who has been sworn as a member of the general assembly, or who has received his certificate of election to the general assembly and whose election is not being challenged, may apply for the special legislative license plate authorized by this section, provided the term of office to which he was elected shall not expire before the end of the licensing period, and provided that he has complied with all other laws of this state relating to the registration and licensing of motor vehicles.

(3) Applications shall be filed with the county clerk of the county in which the legislator resides and the clerk shall forward the applications promptly to the department of transportation, noting thereon the current registration number of the vehicle for which the special legislative plate is being sought. The department shall thereupon deliver the special legislative plate to the county clerk. The legislator shall leave the original plate in the custody of the county clerk and attach the special legislative plate to the vehicle so licensed. License plates issued under this section shall expire on February 28 of the following year after purchase except for those members who will not be members of the legislature for that year. The outgoing members' special legislative plates shall expire on December 31 of the year purchased.

(4) Upon the sale or transfer of a vehicle bearing such special legislative license plate, the owner shall remove same *and return it and certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration upon payment of the appropriate fee* [and obtain from the custody of the county clerk the original plate and attach it to the vehicle to be sold or transferred]. Said special legislative plate shall be reissued by the county clerk for use on any other vehicle owned by the legislator and authorized to be registered under the provisions of KRS 186.050(1) or (3)(a).

(5) For services performed, the county clerk shall receive from each applicant in addition to the regular registration fee and to the additional license fee as provided for in this section the additional sum of one dollar ($1) for each registration under this section. A like amount shall be charged for the reissuance of such special license plate after the sale or transfer of the vehicle to which it was originally attached.

(6) The secretary of the department of transportation shall make such reasonable rules and regulations, and prescribe such forms, as are deemed necessary to further the purpose of this section.

Section 4. KRS 186.179 is amended to read as follows:

(1) Upon application for each licensing period, owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are duly elected or appointed justices or judges of the Court of Justice shall be issued two (2) additional license plates for an additional annual license fee of twenty-five dollars ($25).

(2) On license plates for justices of the Supreme Court, other than the chief justice, shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, the initials "JSC" followed by the Supreme Court district from which they serve, and in lieu of the county name, the words "SUPREME COURT." On the plates issued to the chief justice shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, "-1-", and in lieu of the county name, the words "CHIEF JUSTICE."

(3) On the plates for judges of the Court of Appeals, other than the chief judge, shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number the number of the appellate district from which they serve, followed by the initials "CA", followed by the division number which they serve, and in lieu of the county name the words "COURT OF APPEALS." On plates issued to the chief judge shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, "-1-", and in lieu of the county name, the words "COURT OF APPEALS."

(4) On the plates for circuit judges shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number the number of the judicial circuit which they serve followed by the initial "C", followed by the number of the division which they serve, if any, and in lieu of the county name the word "JUDICIARY."

(5) On the plates for district judges shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, the number of the judicial district which they serve followed by the initial "D", followed by the number of the division which they serve, if any, and in lieu of the county name the word "JUDICIARY."

(6) Any person who has been sworn as a justice or judge of the Court of Justice, or who has received his certificate of election to the Court of Justice and whose election is not being challenged, may apply for the special judicial license plates authorized by this section, provided the term of office to which he was elected shall not expire before the end of the licensing period, and provided that he has complied with all other laws of this state relating to the registration and licensing of motor vehicles.

(7) Applications shall be filed with the county clerk of the county in which the judge resides and the clerk shall forward the applications promptly to the department of transportation, noting thereon the current registration number of the vehicle for which the special judicial plates are being sought. The department shall thereupon deliver the special judicial plates to the county clerk. The judge shall leave the original plate in the custody of the county clerk and attach the special judicial plates to the vehicle so licensed; one license plate attached to the front of the vehicle, and one license plate attached to the rear of the vehicle. Licenses issued under this section shall expire December 31.

(8) Upon the sale or transfer of a vehicle bearing such special judicial license plates, the owner shall remove same *and return it and certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration upon payment of the appropriate fee* [and obtain from the custody of the county clerk the original plate, and attach it to the vehicle to be sold or transferred]. Said special judicial plates shall be reissued by the county clerk for use on any other vehicle owned by the judge and authorized to be registered under the provisions of KRS 186.050(1) or (3)(a).

(9) For services performed, the county clerk shall receive from each applicant in addition to the regular registration fee and the additional license fee provided for in this section, the additional sum of one dollar ($1.00) for each registration under this section. A like amount shall be charged for the reissuance of such special license plates after the sale or transfer of the vehicle to which it was originally attached.

(10) In the event a judicial plate is lost, stolen or mutilated, the owner may not obtain another such plate until the next registration year. He may, however, obtain the plate for which he had originally registered his motor vehicle under the provisions of KRS 186.050(1) or (3)(a).

(11) The secretary of the department of transportation shall make such reasonable rules and regulations, and prescribe such forms, as are deemed necessary to further the purpose of this section.

HB 821, AN ACT relating to airports.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 183.476 is amended to read as follows:

The acquisition of any lands for the purpose of establishing airports or other air navigation facilities; the acquisition of airport protection privileges; the acquisition, establishment, construction, enlargement, improvement, maintenance, equipping and operation of airports and other air navigation facilities, and the exercise of any other powers granted to air boards *as governmental units* [or municipalities] in this chapter, are hereby declared to be public, governmental and municipal functions *authorized by the state in its sovereign capacity,* exercised for a public purpose, and *as a matter* [matters] of public necessity.[, and] Such lands and other property, easements and privileges acquired and *airport facilities operated* [used] by such air boards *as governmental units* [or municipalities] in the manner and for the purposes enumerated in this chapter, *including contracts executed or negotiated by air boards for airport support related facilities and with contractors serving the needs of the airport public,* shall and are hereby declared to be acquired and used for public, governmental and municipal purposes and as a matter of public necessity. *Where the governmental unit finds that it is in the public interest to contract with only one or a limited number of persons or firms providing airport related services, or to regulate rates charged the public for services at the airport, it is the policy of the state that such governmental unit is authorized and directed to so act, without anti-trust consequences, since the governmental unit is exercising specific powers delegated by the state in its sovereign capacity.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

An air board may utilize electronic equipment or such techniques and procedures as it determines necessary to insure the safety of the public on airplanes and on airport property from persons using or attempting to use bombs, explosives, firearms or other deadly weapons. When a bomb, explosive, firearm or other deadly weapon is detected on airport property, or there is good reason to suspect that an individual may have such a device or weapon that he is attempting to conceal from proper authorities, a law enforcement officer, airline employe or air board agent or employe may take whatever precautionary measures as are deemed prudent and necessary to protect individual lives and property.

SECTION 3. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

An air board which operates an international airport not within the corporate limits of any city, and from which more than one million passengers arrive or depart annually, shall be granted the powers of a city of the second or third class under KRS 244.290 and KRS 244.480. Notwithstanding any other provisions of law, a licensee on airport property, with the approval of an airport board operating an international airport as provided above, shall be eligible for any license as provided in KRS 243.030 and KRS 243.040.

Section 4. KRS 183.650 is amended to read as follows:

Bonds issued pursuant to KRS 183.630 to 183.740 shall be negotiable and shall not be subject to taxation. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds *may* [shall] be sold , *at either a public or a private sale notwithstanding any other provisions of the Kentucky Revised Statutes, and the bonds shall be exempt from the newspaper advertisement and publications requirements for municipal bonds under KRS 424.360, with the sale to be held* in such manner, [and] upon such terms *and for such price* as the [legislative body of the] governmental unit or the executive department for finance [and administration] *may determine will best effect the purposes of this chapter* [deems best. In no event shall any bonds be negotiated on a basis to yield more than six per cent (6%)]. The bonds shall be payable solely from the revenue derived from airport facilities or taxes levied for airport development and shall not constitute an indebtedness of the governmental unit or the commonwealth within the meaning of the constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 183.630 to 183.740 and that it does not constitute an indebtedness of the governmental unit or the commonwealth within the meaning of the constitution.

The Committee Substitute to **HB 821** is as follows:

HB 821, AN ACT relating to airports.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 183.650 is amended to read as follows:

Bonds issued pursuant to KRS 183.630 to 183.740 shall be negotiable and shall not be subject to taxation. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds *may* [shall] be sold , *at either a public or a private sale notwithstanding any other provisions of the Kentucky Revised Statutes, and the bonds shall be exempt from the newspaper advertisement and publications requirements for municipal bonds under KRS 424.360, with the sale to be held* in such manner, [and] upon such terms *and for such price* as the [legislative body of the] governmental unit or the executive department for finance [and administration] *may determine will best effect the purposes of this chapter* [deems best. In no event shall any bonds be negotiated on a basis to yield more than six per cent (6%)]. The bonds shall be payable solely from the revenue derived from airport facilities or taxes levied for airport development and shall not constitute an indebtedness of the governmental unit or the commonwealth within the meaning of the constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 183.630 to 183.740 and that it does not constitute an indebtedness of the governmental unit or the commonwealth within the meaning of the constitution.

HB 969, AN ACT relating to public roads and highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

The general assembly of the Commonwealth of Kentucky determines as a legislative finding of fact that the economy of the Commonwealth and the consequent economic development potential of the citizens of the Commonwealth are vitally dependent upon the existence and availability of a state-wide system of safe, adequate and well-maintained highways, roads and thoroughfares; that there is a serious need for construction, reconstruction, resurfacing and in some cases relocation of many such highways, roads and thoroughfares to preserve and enhance the economic well-being and development of the Commonwealth and the health and safety of the public; and that in many cases, highways, roads and thoroughfares which are vital economic links between various sections of the Commonwealth have become, by reason of age and continued usage obsolete and are no longer capable of affording the services required in a modern industrial society. The general assembly of the Commonwealth of Kentucky further determines as a legislative finding of fact that the construction, reconstruction, resurfacing and relocation of a system of such economic development roads through the turnpike authority of Kentucky will preserve and enhance the economic viability of the Commonwealth, will enable the Commonwealth to prosper and make available its economic potentials to the fullest possible degree, will protect and enhance the safety, health, convenience and welfare of the traveling public and will therefore constitute the performance of essential governmental and public purposes.

SECTION 2. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

As used in this Act, and as applied to the financing of construction, reconstruction, resurfacing and relocation of economic development roads by the turnpike authority of Kentucky, the following words and phrases shall have the following respective meanings unless another or different meaning or intent shall be clearly indicated by the context.

(1) "Authority" shall mean the turnpike authority of Kentucky duly organized and existing pursuant to the provisions of KRS 175.410 to 175.990, inclusive.

(2) "Bonds" or "economic development road revenue bonds" shall mean economic development road revenue bonds of the authority issued under the provisions of this Act. No bonds may be issued for terms exceeding twenty-five (25) years.

(3) "Department" shall mean the department of transportation of Kentucky or, if said department shall be abolished, the department, board, bureau, body or commission succeeding to the principal functions thereof or to whom the powers vested in the department shall be given or transferred by law.

(4) "Economic development road project" or "project" shall mean the construction, reconstruction, resurfacing or relocation of any highway, road or thoroughfare or such part or parts thereof as shall have been designated by the department to constitute a part of the economic development road system of the Commonwealth, which project may include the construction, reconstruction, resurfacing, repair or relocation of highways, roads, thoroughfares, bridges, tunnels, overpasses, underpasses, interchanges, approaches and connecting highways.

(5) "Notes" shall mean any economic development road revenue bond anticipation notes, or any economic development road revenue notes. Revenue bond anticipation notes shall be payable from the proceeds of bonds, renewals notes or income and revenues derived from the leasing by the authority of any project or projects to the department. Revenue notes shall be payable solely from income and revenues derived from the leasing by the authority of any project or projects to the department. Notes may be issued for terms not to exceed five (5) years.

(6) All words and phrases which are defined and used in KRS Sections 175.410 to 175.990, inclusive, shall have the same meaning or meanings when used in this Act, except that the words and phrases "turnpike project" or "project" as used in said identified sections shall mean and refer to economic development road projects constructed and financed pursuant to this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

Subject to the provisions of KRS 175.640 to 175.690, the turnpike authority of Kentucky may initiate, plan, implement, acquire, construct and finance economic development road projects utilizing and employing all of the authority, rights and procedures granted to the authority by KRS 175.410 to 175.990, inclusive.

SECTION 4. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

In order to provide for the construction, reconstruction, resurfacing and relocation of economic development road projects, the authority is hereby authorized and empowered, under and pursuant to the terms and provisions of a written agreement or agreements with the department, to construct, reconstruct, resurface, relocate, finance, maintain, repair and operate economic development road projects, to lease such projects to the department, and to issue economic development road revenue bonds or notes of the authority to finance such projects. In the planning, construction and financing of any economic development road project, the authority and the department shall, subject to the provisions of this Act, have and use all authority, procedures and rights provided by the provisions of KRS sections 175.410 to 175.990, inclusive.

SECTION 5. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

In the event that the authority and the department shall undertake the planning and financing of any economic development road project, it shall be provided in connection with such financing that economic development road revenue bonds or notes issued in respect of any such project shall be secured solely by income and revenues derived from the leasing by the authority of any such project to the department, and no tolls shall be imposed or charged for the use by the traveling public of any such projects or for amortization of the bonds or notes; provided that notes may be issued in anticipation of the issuance of bonds or renewal notes and be made payable from the proceeds thereof.

SECTION 6. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

All funds credited to the state transportation fund (road fund), from sales or use tax collections derived from the imposition of such taxes on gasoline or special fuels pursuant to KRS 139.200 and 139.310, shall be used for the purposes of paying the annual lease rental payments to the Kentucky turnpike authority for economic development road projects. Any funds deposited to the credit of the transportation fund (road fund) in excess of the amount required for any such annual lease payments shall be used for any lawful purposes of the transportation fund (road fund).

SECTION 7. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

The department of transportation shall certify to the commissioner of the department of revenue by October 1 of each fiscal year the amount required for lease rental payments to the Kentucky turnpike authority for economic development road projects. Upon receiving such certification, the commissioner of the department of revenue shall cause said amount to be deposited from proceeds of the tax levied by KRS 139.200 and 139.310 to the credit of the economic development road account, hereby created, in the transportation fund (road fund). All taxes levied by KRS 139.200 and 139.310 collected in excess of the amount required to be deposited to the economic development road account in the transportation fund (road fund) shall be deposited by the department of revenue to the credit of the transportation fund (road fund).

The Committee Amendment No. 1 to **HB 969** is as follows:

Amend printed copy of **HB 969,** page 6, lines 2, by deleting the word "*ALL*"

And on page 6, lines 3-5, after the word "*fund)*", delete "*, from sales or use tax collections derived from the imposition of such taxes on gasoline or special fuels pursuant to KRS 139.200 and 139.310,*"

And on page 6, lines 21-22, after the word "*deposited*", delete the words "*proceeds of the tax levied by KRS 139.200 and 139.310*", and insert the words "*road fund receipts*" in lieu thereof

And on page 6, line 24, after the word "*fund)*°", delete the word "*ALL*" and insert the word "*Such*" in lieu thereof

And on page 6, line 25, after the word "*taxes*", delete the words "*levied by KRS 139.200 and 139.310*"

The Committee on Education reported **HB 723** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 723, AN ACT relating to the establishment of child learning centers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 65.230 is amended to read as follows:

As used in KRS 65.210 to 65.300, unless the context otherwise requires, "public agency" means any political subdivision of this state, any agency of the state government or of the United States, and any political subdivision of another state. *It also means a state-supported institution of higher education and a county or independent public school district for the purpose of entering into a joint agreement to establish and operate a center for child learning and study.*

Section 2. KRS 65.240 is amended to read as follows:

(1) Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state, and jointly with any public agency of any other state or of the United States to the extent that the laws of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by KRS 65.210 to 65.300 upon a public agency.

(2) Any two (2) or more public agencies may enter into agreements with one another for joint or cooperative action pursuant to the provisions of KRS 65.210 to 65.300. Appropriate action by ordinance, resolution or otherwise pursuant to law, of the governing bodies of the participating public agencies shall be necessary before any such agreement may enter into force.

(3) A state-supported institution of higher education and one (1) or more county or independent public school districts may enter into agreements under this Act for the purpose specified in KRS 65.230, notwithstanding any other provision of the statutes restricting, qualifying or limiting their authority to do so.

Section 3. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the superintendent of public instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for exceptional children, classroom units for kindergarten, classroom units for superintendents, administrative and special instructional services, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2)*(a)* In allotting classroom units for elementary and secondary schools, one (1) classroom unit shall be included for each twenty-seven (27) pupils in average daily attendance in grades one (1) through twelve (12); provided, however, that one (1) classroom unit shall be included for each isolated one-teacher school with twelve (12) or more pupils in average daily attendance and one (1) unit shall be included for each twenty-five (25) pupils in average daily attendance at all other isolated schools. The allotments of classroom units in this subsection shall be made on the average daily attendance for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions: *1.*[(a)] an average daily attendance of six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 shall be deducted for each vocational unit allotted and *2.*[(b)] an average daily attendance of five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 shall be deducted for each exceptional children's unit allotted. *(b)* If a local school district through its admission and release committee determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, then the school district shall count this as average daily attendance in a public school the time that such child is in attendance at such private school or agency. *(c) Pupils attending a center for child learning and study established under an agreement pursuant to KRS 65.210 through 65.300 shall, for the purpose of calculating average daily attendance, be considered as in attendance in the school district in which the child legally resides and which is party to the agreement.*

(3) Allotments of classroom units except those allotted in accordance with subsection (4) of this section, shall be increased when the average daily attendance in grades one (1) through twelve (12) in any district for the first two (2) months of the current school year is greater than the average daily attendance

of the district in grades one (1) through twelve (12) for the first two (2) months of the previous school year. The total number of classroom units allotted the district shall be increased by the percent of increase.

(4) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the number of classroom units allotted the district, except those allotted in accordance with subsection (3) of this section, for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(5) In allotting classroom units for vocational education, one (1) classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the state plan of vocational education as approved by the state board for occupational education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach part-time or short unit classes for less than a school day or a school year that meet the regulations of the state plan of vocational education as approved by the state board for occupational education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(6) In allotting classroom units for exceptional children, one (1) classroom unit shall be included upon the employment of each teacher approved to teach such children in accordance with the provisions of law and Kentucky administrative regulations of the state board for elementary and secondary education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(7) (a) In allotting classroom units for administrative and special instructional services, the total number of classroom units allotted in subsections (2) and (10) plus subsections (5) and (6) before July 1, 1976 shall be divided by eight (8) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(b) The total number of units allotted under subsection (5) beyond those allotted in the school year 1975-76 times six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 average daily attendance plus the total number of units allotted under subsection (6) beyond those allotted in the school year 1975-76 times five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 average daily attendance shall be divided by two hundred and sixteen (216) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(c) The total of subsection (a) plus subsection (b) shall be the number of classroom units allotted the district for administrative and special instructional services as authorized by Kentucky administrative regulations of the state board for elementary and secondary education.

(8) In allotting classroom units for supervisors of instruction, one-half (½) of a classroom unit shall be allotted each district which is allotted twenty-five (25) through forty-nine and nine-tenths (49.9) classroom units under subsections (2), (5), (6) and (10); one (1) unit shall be allotted each district which is allotted fifty (50) to one hundred (100) classroom units, one unit shall be allotted for each one hundred (100) classroom units, or major fraction thereof, in districts allotted more than one hundred (100) classroom units under these subsections.

(9) In allotting classroom units for directors of pupil personnel, one (1) classroom unit shall be allotted each district which is allotted thirty-six (36) to one hundred and sixty-five and nine-tenths (165.9) classroom units under subsection (2) and a unit for each additional two hundred and sixty-six (266) classroom units or fraction thereof allotted under subsection (2). For districts having fewer than thirty-six (36) classroom units, a proportionate fraction of a classroom unit shall be allotted.

(10) In allotting classroom units for the kindergarten, the superintendent of public instruction, under Kentucky administrative regulations of the state board for elementary and secondary education, may allot units for kindergarten. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(11) In allotting classroom units for superintendent, one unit shall be allotted each school district.

Motions, Petitions, and Communications (continued)

Representative McBee moved that he be recorded as voting "yea" on **HB 507.** Agreed.

Representative Davenport moved the adoption of the following Legislative Citation No. 64:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Pulaski County High School Girls' Basketball Team and their excellent coaches, Mr. and Mrs. Larry Hurt, for winning the Girls' Twelfth Region Basketball Tournament. As Regional Champions for the first time ever, your fine record of 30-4 reflects your hard work and school loyalty. This body salutes you and we extend our very best wishes for continued success in the Girls' "Sweet Sixteen" Tournment at Eastern Kentucky University, Richmond, Kentucky, March 19-22, 1980. (Sponsored by Representative Davenport)

Agreed.

Representative Layman moved that the rules be suspended to report and act upon a resolution. Agreed.

Representative Layman moved the adoption of the following **HR 119:**

HR 119, A RESOLUTION recognizing Old Time String Music Week and commending the Grayson County Teen Action Club.

WHEREAS, the Annual Old Time Fiddlers' Convention conducted by the Grayson County Teen Action Club has been designated as the official Commonwealth of Kentucky Old Time Fiddlers' Convention; and

WHEREAS, the Grayson County Teen Action Club has been instrumental in collecting funds for the March of Dimes; and

WHEREAS, the official Old Time Fiddlers' Convention has attracted attention to our Commonwealth by preserving and fostering that part of our heritage that includes fiddle, as well as other stringed instruments;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this body hereby recognizes the week beginning on the Sunday preceding the third Friday in July, annually, as Old Time String Music Week in the Commonwealth of Kentucky, culminating in the Official Kentucky State Open Old Time Fiddlers' Contest.

Section 2. That this body does also commend the Grayson County Teen Action Club for conducting the Old Time Fiddlers' Convention and for its contributions to the March of Dimes.

Section 3. That the Clerk is directed to forward a copy of this resolution to the Grayson County Teen Action Club and the fiscal court of Grayson County.

HR 119 was adopted by voice vote.

Representative Holloway moved that his name be withdrawn as a co-sponsor of **HB 864.**

On the roll call the vote was yeas 23-Allen, Bendl, Caldwell, Cawood, Craddock, Crupper, Deskins, Dunn, Farrow, Freibert, Guenthner, Haering, Hines, Holbrook, Holloway, Patrick, Richards, Schmidt, Stone, Stumbo, Thomason, Turner, Van Horn. Nays 3-Gray, Noe, Smith.

The motion that Representative Holloway's name be withdrawn as a co-sponsor of **HB 864** was adopted.

Floor Amendment No. 3 to the Committee Substitute to **HB 830,** by Representatives Lewis and White:

Amend printed copy of Committee Substitute to **HB 830,** page 22, after line 20 "(10) Delete all old KRS 350.060(10) and substitute the following:

Surface coal mining and reclamation operations which affect two (2) acres or less shall be exempt from the requirements of this chapter, except that the department shall promulgate reasonable mineral regulations for permitting, bonding, controlling offsite water quality, refuse piles, and use of explosives; and shall prohibit disposal of soil over the outslope in an uncontrolled manner. Such regulations shall recognize the distinct difference between two (2) acre operations and other surface coal mining operations and shall be less stringent than those imposed on other surface coal mining operations affecting more than two (2) acres, and in no event shall the department require that the highwalls left by such operations be eliminated. In no event shall the bond be more than one thousand dollars ($1,000) per acre. The department shall promulgate a short form application which will require the basic business information and a brief description of the method of operation. These applications shall be processed within thirty (30) calendar days. All procedural provisions and the penalty provisions of KRS 350.990 shall, however, apply to operations conducted and permits granted pursuant to this subsection. The department shall enforce this subsection consistent with KRS Chapter 350 except that the departmental shall not issue orders requiring the cessation of operations for more failure to abate a violation.

And on page 22, line 21, by renumbering "Section 11" to "Section 12"; and

On page 22, line 23, by renumbering "Section 12" to "Section 13".

Floor Amendment No. 32 to the Committee Substitute to **HB 532,** by Representative Gray:

SECTION 28. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context clearly indicates otherwise:

(1) "Manager" means the manager of the Kentucky workers' compensation insurance provider;

(2) "Board" means the board of directors of the Kentucky workers' compensation insurance provider;

(3) "Provider" means the Kentucky workers' compensation insurance provider;

(4) "Bonds" or "notes" means the bonds or bond anticipation notes authorized to be issued by the provider pursuant to this Act;

(5) "Obligations" means any bonds or bond anticipation notes authorized to be issued by the provider under the provisions of this Act.

SECTION 29. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky workers' compensation insurance provider is created as an independent public corporation and the purpose is to insure employers against liability for injuries and occupational diseases for which their employes may be entitled to benefits under the Kentucky workers' compensation law.

(2) The provider shall transact its business in the same manner as and shall have all the powers and privileges of a corporation.

(3) The provider shall establish and maintain its main office in Frankfort, Kentucky.

SECTION 30. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky workers' compensation insurance provider shall be under the direct supervision of a board of directors which shall consist of five (5) members to be appointed by the governor with the advice and consent of the senate. If the senate is not in session when a term expires or a vacancy occurs, the governor shall make the appointment to take effect at once, subject only to the approval of the joint interim committee on labor and industry of the legislative research commission if such appointment is made more than ninety (90) days prior to the commencement of a session of the general assembly.

(2) Of the members of the board, one (1) shall be appointed for a term ending July 1, 1982, and each other director for a term expiring one (1), two (2), three (3), and four (4) years thereafter. Upon expiration of any of the terms, the appointee or his successor shall be appointed for a term of four (4) years. Appointment to fill a vacancy caused by other than expiration of the term shall be for the unexpired portion of the term.

(3) The governor, with the consent of the senate or the joint interim committee on labor and industry if the senate is not in session, may remove a board member for cause after giving him a copy of the charges against him and an opportunity for being publicly heard in person or by counsel in his own defense upon not less than ten (10) days' notice. If a board member is removed, the governor shall file in the office of the secretary of state a complete statement of all charges against the board member and the findings thereon, and a complete record of the proceedings. Any board member so removed may bring action in the proper court to determine whether he was legally removed in accordance with this section.

(4) Each appointed member of the board shall receive as compensation seventy-five dollars ($75) per day while in actual attendance at meetings of the board and shall be reimbursed for mileage and subsistence.

(5) Annually, the board shall elect from its membership its chairman and vice-chairman.

(6) The board shall appoint a secretary who shall keep a record of the proceedings and shall be custodian of all books, documents and papers filed with the provider, the minute book or journal of the provider, and its official seal. The secretary shall have authority to cause copies to be made of all minutes and other records and documents of the provider and to give certificates under the official seal of the provider.

(7) A majority of the board shall constitute a quorum for all purposes.

(8) The board may adopt rules and regulations as it deems proper for the conduct of its business and shall be responsible for setting forth the general policy for the operation of the provider.

(9) The board shall meet at least once every three (3) months. Board meetings may be called at any time by the chairman of the board or the manager.

SECTION 31. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) Three (3) nominations for the position of manager shall be submitted to the governor by the board. The governor, with the advice and consent of the senate, shall appoint the manager from among these

nominees. If the senate is not in session when a term expires or a vacancy occurs, the governor shall make the appointment to take effect at once, subject only to the approval of the joint interim committee on labor and industry of the legislative research commission if such appointment is made more than ninety (90) days prior to the commencement of a session of the general assembly. The manager shall be appointed for a term of four (4) years and shall be allowed to succeed himself if reappointed pursuant to the provisions of this section.

(2) Compensation of the manager shall be by salary as set out by the board. Such salary shall be commensurate with the experience and expertise necessary to properly manage the provider.

(3) The manager may perform all acts necessary or convenient in the exercise of the business of the provider including the power to hire personnel and fix compensation.

(4) The manager shall be authorized to conduct all activities in connection with the insurance business to be carried on by the provider. He shall, subject to the approval of the board, establish the premium rates.

(5) Before entering on the duties of the office the manager shall qualify by giving bond in an amount and with sureties approved by the governor. The manager shall file the bond with the state treasurer. The premium for the bond shall be paid by the board.

(6) The manager shall be removed only for cause by the governor at the recommendation of the board and with the consent of the senate, or the joint interim committee on labor and industry if the senate is not in session. Such cause for removal may include, but is not limited to, improper administration of the provider or any activity inconsistent with the duties of manager of the provider.

SECTION 32. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider may:

(1) Contract with physicians, surgeons, hospitals, and rehabilitation facilities for medical, surgical, and rehabilitation, evaluation and treatment and the care and nursing of injured persons entitled to benefits from the provider;

(2) Make safety inspections of risks and furnish advisory services to employers on safety and health measures;

(3) Collect and disperse money necessary to administer the provisions of this Act and to conduct its business;

(4) Insure any employer for workers' compensation liability, or deny any employer insurance for any lawful reason;

(5) Furnish advice, services and excess workers' compensation to any employer qualified as a self-insured employer;

(6) Reinsure any risk or any part thereof; and

(7) Issue its bonds and notes for the purpose of carrying out its corporate powers and duties as set forth in this Act.

SECTION 33. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The moneys and assets belonging to the provider are:

(1) All premiums and moneys paid in accordance with the provisions of this Act;

(2) All property and securities acquired through the use of money belonging to the provider;

(3) All interest and dividends earned upon money belonging to the provider and deposited or invested as provided by this Act; and

(4) All proceeds from bonds issued pursuant to this Act.

SECTION . A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider may use its assets to pay medical expenses, rehabilitation expenses, benefits, salaries, administrative and other expenses.

(2) The provider may use its assets to declare a rebate when there is an excess of assets over liabilities, necessary reserves, and a reasonable surplus for the catastrophe hazard.

SECTION 34. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

An employer who intentionally misrepresents any material fact upon which his premium under this Act is based is liable to the provider for three (3) times the amount of the difference in the premium paid and the amount the employer should have paid if his payroll had been correctly computed. The penalty shall be collected in a civil action.

SECTION 35. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) Obligations issued under the provisions of this chapter shall not be deemed to constitute a debt, liability or obligation of the state or a pledge of the faith and credit of the state, but shall be payable solely

from the revenues or assets of the provider. Each obligation issued under this Act shall contain on the face thereof a statement to the effect that the provider shall not be obligated to pay the same nor the interest thereon except from the revenues or assets pledged therefor and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on such obligation.

(2) Expenses incurred by the provider in carrying out the provisions of this Act may be made payable from funds provided pursuant to this Act and no liability shall be incurred by the provider hereunder beyond the extent to which moneys shall have been so provided.

SECTION 36. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider is hereby authorized to provide for the issuance, at one (1) time or from time to time, of not exceeding ten million dollars ($10,000,000) in bonds of the provider to carry out and effectuate its corporate purposes and powers. In anticipation of the issuance of such bonds the provider is hereby authorized to provide for the issuance, at one (1) time or from time to time, of bond anticipation notes. The principal of and the interest on such bonds or notes shall be payable solely from the funds herein provided for such payment. Any such notes may be made payable from the proceeds of bonds or renewal notes or, in the event bond or renewal note proceeds are not available, such notes may be paid from any available revenues or assets of the provider. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the provider at such price or prices and under such terms and conditions as may be determined by the provider. Any such bonds or notes shall bear interest at such rate or rates as may be determined by the provider. Notes shall mature at such time or times not exceeding five (5) years from their date or dates and bonds shall mature at such time or times not exceeding thirty (30) years from their date or dates, as may be determined by the provider. The provider shall determine the form and manner of execution of the bonds or notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the state. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The provider may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered form, or both, as the provider may determine, and provision may be made for the registration of any coupon bonds or notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and interest, and for the interchange of registered and coupon bonds or notes. Upon the approval of a resolution of the provider authorizing the sale of its bonds or notes, such bonds or notes may be sold in such manner, either at public or private sale, and for such price as said provider shall determine to be for the best interest of the provider and best effectuate the purposes of this Act provided that such sale shall be approved by the provider.

(2) The proceeds of any bonds or notes shall be used solely for the purposes for which issued and shall be disbursed in such manner and under such restrictions, if any, as the provider may provide in the resolution authorizing the issuance of such bonds or notes or in the trust agreement, as provided in Section 11 of this Act, securing the same. The principal of and interest on any bonds issued by the provider shall be payable solely and only from the proceeds derived by the provider from premium collection and bond proceeds.

SECTION 37. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

In the discretion of the provider any obligation issued under the provisions of this Act may be secured by a trust agreement by and between the provider and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. Such trust agreement or the resolution providing for the issuance of such obligations may pledge or assign all or any part of the revenues or assets of the provider. Such trust agreement or resolution may contain such provisions for protecting and enforcing the rights and remedies of the holders of any such obligations as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the provider in relation to the purposes to which obligation proceeds may be applied, the disposition or pledging of the revenues or assets of the provider, the terms and conditions for the issuance of additional obligations, and the custody, safeguarding and application of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of obligations, revenues or other money hereunder to furnish such indemnifying bonds or to pledge such securities as may be required by the provider. Any such trust agreement or resolution may set forth the rights and remedies of the holders of any obligations and of the trustee, and may restrict the individual right of action by any such holders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the provider may deem reasonable and proper for the security of the holders of any obligations. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be paid from the revenues or assets pledged or assigned to the payment of the principal of and the interest on obligations or from any other funds available to the provider.

SECTION 39. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The pledge of any assets or revenues of the provider to the payment of the principal of or the interest on any obligations of the provider shall be valid and binding from the time when the pledge is made and any such assets or revenues shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the provider, irrespective of whether such parties have notice thereof. Nothing herein shall be construed to prohibit the provider from selling any assets subject to any such pledge except to the extent that any such sale may be restricted by the trust agreement or resolution providing for the issuance of such obligations.

SECTION 40. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions of law to the contrary, all moneys received pursuant to the authority of this Act shall be deemed to be trust funds to be held and applied solely as provided in this Act. The resolution authorizing any obligations or the trust agreement securing the same may provide that any of such moneys may be temporarily invested pending the disbursement thereof and shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this Act and such resolution or trust agreement may provide. Any such moneys or any other moneys of the provider may be invested as provided in KRS 386.020, except that at least eighty (80) percent of these investments shall be made only in property, enterprises or securities of entities located within the Commonwealth of Kentucky.

SECTION 41. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Any holder of obligations issued under the provisions of this Act or any coupons appertaining thereto, and the trustee under any trust agreement or resolution authorizing the issuance of such obligations, except the rights herein given may be restricted by such trust agreement or resolution, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the state or granted hereunder or under such trust agreement or resolution, or under any other contract executed by the provider pursuant to this Act, and may enforce and compel the performance of all duties required by this Act or by such trust agreement or resolution to be performed by the provider or by any officer thereof.

SECTION 42. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any of the foregoing provisions of this Act or any recitals in any obligations issued under the provisions of this Act, all such obligations and interest coupons appertaining thereto shall be and are hereby made negotiable instruments under the laws of this state, subject only to any applicable provisions for registration.

SECTION 43. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Obligations issued under the provisions of this Act are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such obligations are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds, notes or obligations of the state is now or may hereafter be authorized by law.

SECTION 44. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider is hereby authorized to provide for the issuance of refunding obligations for the purpose of refunding any obligations then outstanding which shall have been issued under the provisions of this Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such obligations and, if deemed advisable by the provider, for any corporate purpose of the provider. The issuance of such obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the provider in respect of the same shall be governed by the provisions of this Act which relate to the issuance of obligations, insofar as such provisions may be appropriate therefor.

(2) Refunding obligations may be sold or exchanged for outstanding obligations issued under this Act and, if sold, the proceeds thereof may be applied, in addition to any other purposes, to the purchase,

redemption or payment of such outstanding obligations. Pending the application of the proceeds of any such refunding obligations, with any other available funds, to the payment of the principal, accrued interest and any redemption premium on the obligations being refunded, and, if so provided or permitted in the resolution authorizing the issuance of such refunding obligations or in the trust agreement securing the same, to the payment of any interest on such refunding obligations and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which shall mature or which shall be subject to redemption by the holders thereof, at the option of such holders, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended.

SECTION 45. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider shall be authorized and empowered in connection with the issuance of its bonds and notes for purposes pursuant to this Act to establish in respect of such bonds and notes such reserve funds or replacement funds as may be required in the sound discretion of the board of directors of the provider to enable the provider to effectuate its proper public purposes. In the event any such reserve fund or replacement fund created by the provider in connection with any such bond issue or note issue should, in violation of any contract made by the provider with any bondholder or noteholder, be monetarily deficient in any respect as of any date of accounting so stipulated by the provider, the provider shall immediately make formal request in writing to the secretary of the department of finance, and to the governor of Kentucky that sums adequate to restore such reserve fund or replacement fund to its contractually required level and to pay any overdue principal and interest on any outstanding bonds and notes of the provider be included in the next succeeding executive budget, and that such budget request with recommendation for approval by the general assembly of an appropriation to the provider for the use and benefit of such reserve fund or replacement fund be submitted to the next session of the general assembly. In the event the next scheduled regular session of the general assembly of Kentucky shall occur more than six (6) months after any such request by the provider, the provider shall request that sums adequate to restore such reserve fund or replacement fund to such contractually required level and to pay any overdue principal and interest on any outstanding bonds and notes of the provider be made available from the governor's contingency fund, and if such funds are so made available the budget request described in this section shall be correspondingly reduced.

SECTION 46. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The provider shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor and the general assembly. Each such report shall set forth a complete operating and financial statement of the provider during the year.

(2) The provider shall have an annual audit made by the auditor of public accounts of its books, accounts, and records with respect to all matters relating to its financial operations. The persons performing such audit shall furnish copies of the audit report to the secretary of the department of finance, the governor and the general assembly where they shall be placed on file and made available for inspection by the general public.

(3) The provider shall have an annual actuarial report made with respect to all matters relating to its financial operations. The person performing such actuarial report shall furnish copies of the actuarial report to the secretary of the department of finance, the governor and the general assembly where they shall be placed on file and made available for inspection by the general public.

SECTION 47. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

No member or other officer of the provider shall be subject to any personal liability by reason of his execution of any of the obligations of the provider.

SECTION 48. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provider is authorized to accept and expend such moneys as may be appropriated from time to time by the general assembly or such moneys as may be received from any source including income from the provider's operations, for effectuating its corporate purposes including, without limitation, the payment of the initial expenses of administration and operation and the establishment of a reserve or contingency fund to be available for the payment of the principal of and interest on any bonds or notes of the provider.

SECTION 49. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

If any member, officer or employe of the provider shall be interested either directly or indirectly, or shall be an officer of employe of or have an ownership interest in any firm or corporation interested directly or indirectly in any contract with the provider, such interest shall be disclosed to the provider and shall be set forth in the minutes of the provider, and the member, officer or employe having such interest therein shall not participate on behalf of the provider in the authorization of any such contract.

SECTION 50. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Upon termination or dissolution, all rights and properties of the provider shall pass to and be vested in the Commonwealth of Kentucky, subject to the rights of lienholders and other creditors.

SECTION 51. KRS 304.1-120 is amended to read as follows:

(1) No provision of this code shall apply to:

(a)[(1)] Fraternal benefit societies (as identified in subtitle 29), except as stated in subtitle 29.

(b)[(2)] Nonprofit hospital, medical-surgical, dental and health service corporations (as identified in subtitle 32) except as stated in subtitle 32.

(c)[(3)] Burial associations (as identified in KRS chapter 303), except as stated in subtitle 31.

(d[(4)] Assessment or cooperative insurers (as identified in KRS chapter 299).

(e)[(5)] Insurance premium finance companies (as identified in subtitle 30), except as stated in subtitle 30.

(f)[(6)] A group or association of health facility and health services institutions subject to the Kentucky certificate of need, licensure and regulations act of 1972, KRS 216.405 to 216.485, composed of any number of members, who join together to self insure against professional liability or comprehensive general liability risks for bodily injury or property damage, to anyone except employes for claims arising out of their employment of the members of such group, which arises out of the operation of institutions by members of the group and who comply with the following conditions:

1.[(a)] Establishment of a professional or comprehensive general liability risk management trust fund to provide adequate coverage for claims made against members of the fund for professional liability or comprehensive general liability risks;

2.[(b)] Establishment of a comprehensive loss prevention and risk management program coordinated with an effective claims management system for members of the group;

3.[(c)] Filing with the department, on a form to be provided by the department, a certification setting forth the establishment of such a trust fund, the date upon which the trust fund is to become effective, the identity of the members of the trust fund, and a copy of the programs and systems established for the members of the trust fund.

(2) No provision of this code relating to a certificate of authorization shall apply to the Kentucky workers' compensation insurance provider.

Section 52. KRS 342.340 is amended to read as follows:

(1) Every employer under this chapter shall either insure and keep insured his liability for compensation hereunder in some corporation, association or organization authorized to transact the business of workmen's compensation insurance in this state *including the Kentucky workers' compensation insurance provider* or shall furnish to the board satisfactory proof of his financial ability to pay directly the compensation in the amount and manner and when due as provided for in this chapter. In the latter case the board shall require the deposit of an acceptable security, indemnity or bond to secure to such an extent as the board directs the payment of compensation liabilities as they are incurred.

(2) Every employer accepting this chapter shall at the time of such acceptance file with the board in substantially the form prescribed by it, and semiannually thereafter, or as often as may be necessary, evidence of his compliance with the provisions of this section and all others relating thereto. Until these provisions are complied with the employer shall, from the date of his acceptance of the chapter, be liable to an employe either for compensation under this chapter or at law in the same manner as if the employer had refused to accept this chapter. Claim of compensation in such cases shall be considered a waiver of the right to proceed at law and the institution of an action at law shall be considered a waiver of all claim to compensation. Upon determination that any employer under this chapter has failed to comply with these provisions the board shall promptly notify interested government agencies of said failure and with particular reference to employers engaged in coal mining the board shall promptly report any such failures to the department of mines and minerals so that appropriate action may be undertaken pursuant to KRS 351.175.

Section 53. KRS 342.620 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Injury" means any work related harmful change in the human organism, including damage to or loss of a prosthetic appliance, but does not include any communicable disease unless the risk of contracting such disease is increased by the nature of the employment. "Injury" when used generally, unless the context indicates otherwise, shall include an occupational disease.

(2) "Occupational disease" means a disease arising out of and in the course of the employment.

(a) A disease shall be deemed to arise out of the employment if there is apparent to the rational mind, upon consideration of all the circumstances, a causal connection between the conditions under which the work is performed and the occupational disease, and which can be seen to have followed as a natural incident to the work as a result of the exposure occasioned by the nature of the employment and which can be fairly traced to the employment as the proximate cause. The disease shall be incidental to the character of the business and not independent of the relationship of employer and employe. The disease need not have been foreseen or expected but, after its contraction, it must appear to be related to a risk connected with the employment and to have flowed from that source as a rational consequence.

(b) "Injurious exposure" as used in KRS 342.316 shall mean that exposure to occupational hazard which would, independently of any other cause whatsoever, produce or cause the disease for which claim is made.

(3) "Death" means death resulting from an injury or occupational disease.

(4) "Carrier" means any insurer, or legal representative thereof, authorized to insure the liability of employers under this chapter and includes a self-insurer *and the Kentucky workers' compensation insurance provider.*

(5) "Self-insurer" is an employer who has been authorized under the provisions of this chapter to carry his own liability on his employes covered by this chapter.

(6) "Department" means the department of labor.

(7) "Director" means the director of the workmen's compensation board.

(8) "Board" means the workmen's compensation board.

(9) "Disability" means, except for purposes of KRS 342.730(1)(c) relating to scheduled losses, a decrease of wage earning capacity due to injury or loss of ability to compete to obtain the kind of work the employe is customarily able to do, in the area where he lives, taking into consideration his age, occupation, education, effect upon employe's general health of continuing in the kind of work he is customarily able to do, and impairment or disfigurement.

(10) "Income benefits" means payments made under the provisions of this chapter to the disabled worker or his dependents in case of death, excluding medical and related benefits.

(11) "Medical and related benefits" means payments made for medical, hospital, burial and other services as provided in this chapter other than income benefits.

(12) "Compensation" means all payments made under the provisions of this chapter representing the sum of income benefits and medical and related benefits.

(13) "Medical services" means medical, surgical, dental, hospital, nursing and medical rehabilitation services, medicines, and fittings for artificial or prosthetic devices.

(14) "Person" means any individual, partnership, firm, association, trust, joint venture, corporation, or legal representative thereof.

(15) "Wages" means, in addition to money payments for services rendered, the reasonable value of board, rent, housing, lodging, fuel or similar advantages received from the employer, and gratuities received in the course of employment from others than the employer as evidenced by the employe's federal and state tax returns.

(16) "Agriculture" means the operation of farm premises, including the planting, cultivation, producing, growing, harvesting and preparation for market of agricultural or horticultural commodities thereon, the raising of livestock for food products and for racing purposes, and poultry thereon, and any work performed as an incident to or in conjunction with such farm operations. It shall not include the commercial processing, packing, drying, storing, or canning of such commodities for market, or making cheese or butter or other dairy products for market.

(17) "Beneficiary" means any person who is entitled to income benefits or medical and related benefits under this chapter.

(18) "United States" when used in a geographic sense, means the several states, the District of Columbia, the commonwealth of Puerto Rico, the Canal Zone, and the territories of the United States.

(19) "Alien" means a person who is not a citizen, a national or a resident of the United States or Canada. Any person not a citizen or national of the United States who relinquishes or is about to relinquish his residence in the United States shall be regarded as an alien.

(20) Except as otherwise provided in KRS 342.750, the formula for income benefits shall be 66-⅔ percent of the average weekly wages of the employe at the time of his injury, multiplied by the percentage of disability caused by the injury or occupational disease, subject to the limitation contained in KRS 342.740. Income benefits shall be payable during the applicable compensable period which is either (a) the specified number of weeks, or (b) the period of occupational disability during which the employe is disabled, or (c) where death results from the injury, the period during which the deceased's dependents qualify as such, or (d) where death is unrelated to the injury, the period during which the deceased's dependents qualify as such or during the period of the deceased's normal life expectancy, whichever is less.

SECTION 54. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The Commonwealth of Kentucky, and all governmental units and agencies thereof, shall insure its workers' compensation liability with the provider; Provided, however, that if the Commonwealth, or any governmental unit or agency thereof, elects to operate as a self-insurer or is able to obtain workers' compensation insurance coverage from another source at a rate less than that of the provider, this section shall not apply.

SECTION 55. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Premium rates for policies issued by the provider after January 1, 1982, through January 1, 1983, shall be reduced by a minimum of ten percent (10%) for all employment classifications. The ten percent (10%) reduction shall be applied against premium rates that are in effect as of July 1, 1981, for private insurance carriers in the Commonwealth. The provider shall establish premium rates at the lowest possible rate consistent with the maintenance of the solvency of the provider, and the creation and maintenance of a reasonable surplus after the payment of legitimate claims, as determined by sound actuarial methods.

Section 56. 342.495 Kentucky Employe's Insurance Association created.
342.500 Board of directors — Selection — Term.
342.505 Board officers elected annually.
342.510 Quorum of board — Vacancies.
342.515 Representation of subscribers.
342.520 Subscriptions required to issue first policy.
342.525 Procedure required before first policy issued.
342.530 Board to group subscribers — Amount of premiums. —
342.535 Association to fix contingent liability — Limit.
342.540 Assessments.
342.545 Dividends — All funds available for contingent liability.
342.550 Commissioner of insurance to approve premiums, etc.
342.555 Board to make safety regulations — Inspections — Review of regulation are repealed.

Section 57. This Act shall become effective July 15, 1980; Provided, however, the provider may not issue workers' compensation insurance policies prior to January 1, 1982, unless, in the opinion of the board of directors of the provider, the provider has established adequate reserve funds prior to that date.

Floor Amendment No. 33 to **HB 532,** by Representative Cyrus:

Amend printed copy of **HB 532,** page 6, beginning on line 16, after "(5)" by deleting the new material on lines 16 through 25

On page 6, line 26, by deleting the bracket

On page 7, line 15, by deleting the bracket

On page 7, after line 15, by inserting the following:

"*(6) In any case in which any of the parties have contended that liability should be totally or partially imposed or apportioned against the special fund, and the employer or its insurance carriers make payments for total or permanent partial disability or death prior to the final resolution of the issue of the extent of liability, if any, to be imposed upon the special fund, any final award or order shall direct the special fund to reimburse the employer or its insurance carrier for any payments already made to the employe or dependents in the same proportion as the percentage of liability ultimately awarded against the special fund.*"

Floor Amendment No. 34 to **HB 532,** by Representative Cyrus:

Amend printed copy of **HB 532,** page 4, lines 15 and 16, by deleting "*and is actually dependent*"

Floor Amendment No. 35 to **HB 532,** by Representative Cyrus:

Amend printed copy of **HB 532,** page 16, line 20, by deleting "*The board*" and the brackets

And on line 22, after "not" by inserting the following new material: *more than ninety (90) days nor earlier than thirty (30) days*

And on line 23, place brackets around "later than thirty days"

Floor Amendment No. 36 to **HB 532,** by Representative Cyrus:

Amend printed copy of **HB 532,** page 14, beginning on line 19, by deleting "Section 10" in its entirety and renumbering the remaining sections accordingly.

Floor Amendment No. 37 to **HB 532** by Representative Cyrus:

Amend printed copy of **HB 532,** page 16, line 14, after "within" by inserting "*two years*" and placing brackets around "one year"

Floor Amendment No. 38 to the Committee Substitute to **HB 532** by Representative Guenthner:

Amend printed copy of Committee Substitute to **HB 532,** page 13, line 14, by deleting "Section 10" in its entirety and renumbering the remaining sections accordingly.

Floor Amendment No. 3 to **HB 712,** by Representative Deskins:

Section 2. KRS 304.39-060 is amended to read as follows:

(1) Any person who registers, operates, maintains or uses a motor vehicle on the public roadways of this Commonwealth shall, as a condition of such registration, operation, maintenance or use of such motor vehicle and use of the public roadways, be deemed to have accepted the provisions of this subtitle, and in particular those provisions which are contained in this section.

(2) (a) Tort liability with respect to accidents occurring in this Commonwealth and arising from the ownership, maintenance, or use of a motor vehicle is "abolished" for damages because of bodily injury, sickness or disease to the extent the basic reparation benefits provided in this subtitle are *paid* [payable] therefor, or that would be *paid* [payable] but for any deductible authorized by this subtitle, under any insurance policy or other method of security complying with the requirements of this subtitle, except to the extent noneconomic detriment qualifies under subsection (2)(b) hereof.

(b) In any action of tort brought against the owner, registrant, operator or occupant of a motor vehicle with respect to which security has been provided as required in this subtitle, or against any person or organization legally responsible for his acts or omissions, a plaintiff may recover damages in tort for pain, suffering, mental anguish and inconvenience because of bodily injury, sickness or disease arising out of the ownership, maintenance, operation or use of such motor vehicle [only in the event that the benefits which are payable for such injury as "medical expense" or which would be payable but for any exclusion or deductible authorized by this subtitle exceed one thousand dollars ($1,000), or the injury or disease consists in whole or in part of permanent disfigurement, a fracture to a weight-bearing bone, a compound, comminuted, displaced or compressed fracture, loss of a body member, permanent injury within reasonable medical probability, permanent loss of bodily function or death. Any person who is entitled to receive free medical and surgical benefits shall be deemed in compliance with the requirements of this subsection upon a showing that the medical treatment received has an equivalent value of at least one thousand dollars ($1,000)].

(c) Tort liability is not so limited for injury to a person who is not an owner, operator, maintainer or user of a motor vehicle within subsection (1) of this section, nor for injury to the passenger of a motorcycle arising out of the maintenance or use of such motorcycle.

(3) For purposes of this section and the provisions on reparation obligor's rights of reimbursement, subrogation, and indemnity, a person does not intentionally cause harm merely because his act or failure to act is intentional or done with his realization that it creates a grave risk of harm.

(4) *In any action of tort brought against the owner, registrant, operator, or occupant of a motor vehicle with respect to which security has been provided as required in this subtitle, any person injured may claim his full damages, including nonpecuniary damages. He may also claim basic reparation benefits from the appropriate security on the vehicle as established under KRS 304.39-050. Such provider shall be subrogated to the rights of the injured person to the extent of reparation benefits paid against the owner and operator of the vehicle* [Any person may refuse to consent to the limitations of his tort rights and liabilities as contained in this section. Such rejection must be in writing in a form to be prescribed by the department of insurance and must have been executed and filed with the department at a time prior to any motor vehicle accident for which such rejection is to apply. Such rejection form together with a reasonable explanation thereof shall be furnished by the reparation obligor with each policy to each prospective insurance applicant. Such rejection form shall affirmatively state in bold print that acceptance of this form of insurance denies the applicant the right to sue a negligent motorist unless certain requirements contained in the policy of insurance are met. Rejection by a person who is under legal disability shall be made on behalf of such person by his legal guardian or his natural parent. The failure of such guardian or a natural parent of a person under legal disability to file a rejection, within six (6) months from the date that this subtitle would otherwise become applicable to such person, shall be deemed to be an affirmative acceptance of all provisions of this subtitle. Provided, however, any person who, at the time of an accident, who does not have basic reparation insurance but has not formally rejected such limitations of his tort rights and liabilities and has at such time in effect security equivalent to that required by KRS 304.39-110 shall be deemed to have fully rejected such limitations within meaning of this section for that accident only.

(5) Any rejection must be filed with the department of insurance and shall be for a period of five (5) years from the date of its execution unless revoked in writing. A copy of such rejection or revocation must be filed with each insurance company providing an automobile policy under which the individual is a named insured as defined in the policy.

(6) Every insurance company when issuing an automobile policy to a resident of this Commonwealth must inform the buyer in writing in a form to be prescribed by the insurance commissioner of his right to reject the limitations of his tort rights and liabilities under this subtitle in the manner provided in subsections (4) and (7) of this section.

(7) Any rejection shall result in the full retention by the individual of his tort rights and his tort liabilities. Any person injured by a motor vehicle operator who has such rejection on file may claim his full damages, including nonpecuniary damages, or, if such injured person has not rejected his own tort limitations, he may also claim basic reparation benefits from the appropriate security on the vehicle as established under KRS 304.39-050. If such provider of security is other than the one providing security for the operator who has rejected the limitations, such provider shall be subrogated to the rights of the injured person to the extent of reparation benefits paid against the owner and operator of the vehicle.

(8) No person who has rejected the tort limitations under this section, except as provided in subsection (9) of this section or KRS 304.39-140(5), may collect basic reparation benefits.

(9) Any owner or operator of a motorcycle, as defined in Kentucky Revised Statutes, may file a rejection as described in subsections (4) and (5), which will apply solely to the ownership and operation of a motorcycle but will not apply to injury resulting from the ownership, operation or use of any other type of motor vehicle].

Floor Amendment No. 1 to **HB 659,** by Representative Williams:

Amend printed copy of **HB 659,** page 1, line 9, by adding the following language after the comma: Historical structures, small business concerns, as such term is commonly used in state and federal regulations. If multi-family projects are not exempt hereunder, only one out of every 25 units must be accessible to the handicapped.

Floor Amendment No. 4 to the Committee Substitute to **HB 830,** by Representative Robinson:

Amend printed copy of Committee Substitute for **HB 830,** page 7, line 15, by deleting the word "*original*".

Floor Amendment No. 3 to **HB 864,** by Representative Deskins:

Amend printed copy of **HB 864,** page 22, line 5, by adding after the word discharged *and criminally charged with*

And on page 22, line 5, by deleting the word [misconduct or]

Floor Amendment No. 4 to **HB 864,** by Representative Gray:

Amend printed copy of **HB 864,** page 23, line 23, by deleting: "Seasonal," and inserting: "(of ninety **(90)** work days or less)" after "temporary"

On line 25, by deleting "Seasonal," and inserting "(of ninety (90) work days or less)" after "temporary"

Floor Amendment No. 5 to **HB 864,** by Representative Gray:

Amend printed copy of **HB 864,** pages 25 and 26, lines 26 and 1 through 9, Section 7(3)(a) by deleting: Line 26 on page 25 and lines 1 through 9 on page 26 and by renumbering or relettering as appropriate.

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 3 to the Committee Substitute to **HB 328,** by Representative Cawood:

Amend printed copy of Committee Substitute to **HB 328,** page 2, line 17, by deleting after the word "extraction" the word "commonly";

And on line 18, by deleting the words "known to be";

And on page 2, line 18, by deleting after the word "Kentucky" the words "in the area affected";

And on page 2, line 21, by deleting the words "commonly known to";

And on page 2, line 22, by deleting the words "be in use method or";

And on page 2, line 22, by deleting the word "commonly";

And on page 2, line 23, by deleting the words "known to be";

And on page 2, line 23, by deleting the words "in the area affected"

Floor Amendment No. 20 to the Committee Substitute to **HB 532,** by Representative Cawood:

Amend printed copy of Committee Substitute to **HB 532,** page 30, lines 14 and 15, by deleting "*arising out of and in the course of the employment including*".

Floor Amendment No. 21 to the Committee Substitute to **HB 532,** by Representative Cawood:

Amend printed copy of Committee Substitute to **HB 532,** page 30, lines 13 and 14, by deleting "*physical*".

Floor Amendment No. 22 to the Committee Substitute to **HB 532,** by Representative Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** page 32, line 18, following "*of*" by inserting "*inflation*".

Floor Amendment No. 23 to the Committee Substitute to **HB 532,** by Representative Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** page 32, line 8, by deleting "*a bodily functional*";

On page 32, by deleting lines 9 through 17;

On page 32, line 18, by deleting "*represent his wage earning capacity in light of*", and deleting the bracket;

On page 32, line 21, by deleting the bracket.

Floor Amendment No. 24 to the Committee Substitute to **HB 532,** by Representative Weinberg:

Amend printed copy of Committee Substitute to **HB 532,** page 44, beginning on line 7, by deleting "*more equitable under the*" and inserting"*greater.*"

On page 44, lines 8 through 19, by deleting the new material and inserting in lieu thereof the following:

"*Such benefits for permanent partial disability shall terminate upon the employe's attainment of age sixty-five (65), however, in no event, shall such benefits be paid for permanent partial disability for less than five (5) years.*"

Page 44, line 19, by deleting the bracket

Page 45, line 8, by deleting bracket

Floor Amendment No. 25 to the Committee Substitute to **HB 532,** by Representative Gray:

Amend printed copy of Committee Substitute to **HB 532,** page 8, lines 11 and 12, by placing brackets around the following: "(not including overtime or premium pay)"

And on lines 19 and 20, by placing brackets around the following: "(not including overtime or premium pay)"

Floor Amendment No. 26 to the Committee Substitute to **HB 532,** by Representative Gray:

Amend printed copy of Committee Substitute to **HB 532,** page 43, after line 12, by inserting the following new Section 18:

"Section 18. KRS 342.720 is amended to read as follows:

If death results from the injury, the employer shall pay the cost of burying in an amount not to exceed *two thousand five hundred dollars ($2,500)* [$1,500] to any person who performed such service or incurred the liability for the service, whether or not the employe leaves dependents within the meaning of this chapter. Any such person is hereby authorized to file a petition with the board for the fixing of the amount of the service and for an order requiring the employer to pay the cost of the service. If death occurs while the employe is away from his usual place of business or residence the employer will be liable for the additional reasonable cost of transportation of the body to the employe's place of residence within the Commonwealth of Kentucky.

And renumbering the remaining sections accordingly.

Floor Amendment No. 27 to the Committee Substitute to **HB 532,** by Representative Moberly:

Amend printed copy of Committee Substitute to **HB 532,** page 5, by deleting the new material on lines 14 through 22;

On page 5, line 22, by deleting the bracket;

On page 6, line 12, by deleting the bracket;

On page 6, following line 12, by inserting:

"*(6) In any case in which any of the parties have contended that liability should be totally or partially imposed or apportioned against the special fund, and the employer or its insurance carriers make payments for total or permanent partial disability or death prior to the final resolution of the issue of the extent of liability, if any, to be imposed upon the special fund, any final award or order shall direct the special fund to reimburse the employer or its insurance carrier for any payments already made to the employe or dependents in the same proportion as the percentage of liability ultimately awarded against the special fund.*"

Floor Amendment No. 28 to Committee Substitute to **HB 532,** by Representative McKinney:

Amend printed copy of Committee Substitute for **HB 532,** page 58, after line 1, by adding the following:

"SECTION 28. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

When all of the employes of a company are exempt from this Act by being a partnership or by all of the employes rejecting this Act, the company upon furnishing such proof to the workers' compensation board, will be given a certificate of compliance."

Floor Amendment No. 29 to the Committee Substitute to **HB 532,** by Representative Deskins:

Amend printed copy of Committee Substitute to **HB 532,** page 57, lines 8 and 9, by deleting "*This Act shall be effective July 15, 1980; provided, however, that in*" and inserting "*In*";

On page 57, line 16, by deleting "*payable*" and inserting "*paid*";

On page 57, lines 16 through 18, by deleting "*The benefits under KRS 342.730 as it existed prior to the effective date of this Act shall apply to those claims.*"

Floor Amendment No. 30 to the Committee Substitute to **HB 532,** by Representative Deskins:

Amend printed copy of Committee Substitute to **HB 532,** page 5, after "(5) by deleting the new material on lines 14 through 22, and inserting the following:

"*In any case in which any of the parties have contended that liability should be totally or partially imposed or apportioned against the special fund, and the employer or its insurance carriers make payments for total or permanent partial disability or death prior to the final resolution of the issue of the extent of liability, if any, to be imposed upon the special fund, any final award or order shall direct the special fund to reimburse the employer or its insurance carrier for any payments already made to the employe or dependents in the same proportion as the percentage of liability ultimately awarded against the special fund.*"

Floor Amendment No. 31 to the Committee Substitute to **HB 532,** by Representative Deskins:

Amend printed copy of Committee Substitute to **HB 532,** page 36, line 4, by placing brackets before "whose"

And on line 5, by closing the bracket after "employer"

Floor Amendment No. 3 to **HB 574,** by Representative Priddy:

Amend printed copy of **HB 574,** page 4, on line 2, by adding after the word "member" the following: "*of the state police retirement system or a member of the county employes retirement system covered by this section*";

And on line 6, by deleting the word "*and*";

And on line 7, by deleting the words "*the county employes retirement system*".

Floor Amendment No. 1 to **HB 624,** by Representative Cyrus:

Amend printed copy of **HB 624,** page 7, lines 21 through 26, by deleting after the word "condition", the phrase ", and nothing in this Act shall be construed as preventing a physician from prescribing amygdalin (laetrile) as a dietary supplement to a patient not suffering from any known malignancy, disease, illness, or physical condition upon execution of said written informed request"

Floor Amendment No. 1 to **HB 738,** by Representative Mann:

Amend printed copy of **HB 738,** page 15, after line 22, by adding the following new section:

"Section 6. KRS 317A.040 is amended to read as follows:

(1) The cosmetologist board may employ inspectors and such other personnel as may be reasonably necessary to carry out the provisions of this chapter, whose compensations shall be established within budgetary limits by the Department of Personnel;

(2) The cosmetologist board shall by appropriate order employ an administrator who shall be charged with the responsibility of administering the provisions of this chapter, and the policies and regulations of the board relating to hairdressing and cosmetology;

(3) No person shall be employed as an administrator unless he *holds at least a bachelor's degree in business administration or a closely related field* [is a licensed cosmetologist];

(4) The administrator may receive a salary of $7,500 per annum, or such compensation as may be established by classification of the position by the Department of Personnel;

(5) The cosmetologist board shall publish and distribute copies of its rules and regulations and revisions thereof to all persons licensed by it and to such other persons, places or agencies as may be required by law or deemed by it reasonably necessary to the administration of the provisions of this chapter, but such publications shall be clearly marked, stamped or printed "Informational Copy."

Floor Amendment No. 2 to **HB 738,** by Representative Head:

Amend printed copy of **HB 738,** page 1, line 4, after the word "least" by deleting the word "*four*" and the number "*(4)*" and by deleting the "[" before the word "two" and the "]" after the number "(2)".

Floor Amendment No. 2 to the Committee Substitute to **HB 830,** by Representative Dawahare:

Amend printed copy of Committee Substitute to **HB 830,** page 22, after line 20, by adding the following:

"SECTION 11. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) There shall be an advisory committee for the coal producing county development fund which shall be advisory to the department in all aspects of the administration of the abandoned mine reclamation fund.

(2) Interest earned on the monies in the coal producing county development fund shall be credited to the coal producing county development fund."

And on page 22, line 21, by renumbering Section 11 as "Section 12";

And on page 22, line 23, by renumbering Section 12 as "Section 13".

Floor Amendment No. 1 to **HB 835,** by Representative Dawahare:

Amend printed copy of **HB 835,** page 20, after line 23, by adding the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) There shall be an advisory committee for the coal producing county development fund which shall be advisory to the department in all aspects of the administration of the abandoned mine reclamation fund.

(2) Interest earned on the monies in the coal producing county development fund shall be credited to the coal producing county development fund."

Floor Amendment No. 2 to **HB 864,** by Representative Cyrus:

Amend printed copy of **HB 864,** page 6, following line 1, by inserting the following new section:

Section 2. KRS 341.360 is amended to read as follows:

No worker may be paid benefits for any week of unemployment:

(1) With respect to which *it is found that his total or partial unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at* [a strike or other bona fide labor dispute which caused him to leave or lose his employment is in active progress in the establishment in] which he is or was employed, except that benefits may be paid unless the employer notifies the division in writing within seven (7) days after the beginning of such alleged strike or labor dispute of the alleged existence of such strike or labor dispute. For the purpose of this subsection a lockout shall not be deemed to be a strike or a bona fide labor dispute and no worker shall be denied benefits by reason of a lockout[;] *. The term "labor dispute" does not include an individual's refusal to work because of his employer's failure to pay accrued earned wages within ten (10) working days from the date due, or to pay any other uncontested accrued obligation arising out of his employment within ten (10) working days from the date due. This section shall not apply if it is shown that (a) the individual is not participaing in, financing or directly interested in the labor dispute which caused the stoppage of work, and (b) he does not belong to a grade or class of workers of which immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in, financing or directly interested in the dispute; provided, an individual's failure to cross a picket line at such factory, establishment, or other premises shall not, in itself, be deemed to be participation by him in the labor dispute. If in any case, separate branches of work which are commonly conducted as separate businesses in*

separate premises are conducted in separate departments of the same premises, each such department shall, for the purpose of this section, be deemed to be a separate factory, establishment, or other premises;

Floor Amendment No. 1 to **HB 936,** by Representative Smith:

Amend printed copy of **HB 936,** page 3, after line 5, by inserting the following:

"Section 2. KRS 317A.070 is amended to read as follows:

(1) The cosmetologist board shall hold hearings upon the request of any person directly affected by the board's decision to refuse to renew a license or to deny, [or] revoke *or suspend* a license and no license renewal shall be denied nor shall a license be revoked unless the board in advance shall have given the licensee twenty (20) days written notice of the revocation or refusal to renew stating the grounds therefor;

(2) Hearings conducted by the board shall afford reasonable opportunity for the complainant to be present and represented by counsel, to examine and to cross-examine any witnesses and produce any competent and relevant proof though the board need not follow strict rules of evidence in the conduct of such hearings;

(3) Rulings of the board as a result of any hearing may be appealed to the *Franklin* Circuit Court [in the county where the appellant resides] by filing with said court within thirty (30) days from the date of entry of the order a certified copy of the ruling or order of the board [if there was any competent evidence before the board to justify the ruling or order];

(4) The board is authorized to issue subpoenas for the attendance of witnesses and the production of such records and documents as may be reasonably necessary in the conduct of any hearing.

Section 3. KRS 317A.140 is amended to read as follows:

(1) The board may refuse to issue or renew a license or may revoke *or suspend* such licenses as are issued upon proper showing of applicant's or licensee's:

(a)[(1)] Conviction of a felony;

(b)[(2)] Gross malpractice or incompetence; or

(c)[(3)] Mental or physical health that would endanger public health or safety;

(d)[(4)] False or deceptive practice or misrepresentation including advertising;

(e)[(5)] Practicing in an unlicensed shop or in a shop knowing that such is not complying with this chapter or regulations of the board promulgated pursuant to this chapter;

(f)[(6)] Immoral or unprofessional conduct;

(g)[(7)] Teaching in an unlicensed school or in a school knowing that such school is not complying with this chapter or regulations of the board promulgated pursuant to this chapter;

(h)[(8)] Failure to comply with the rules and regulations of the board.

(2) The licensee may have the alternative, subject to approval of the board, to pay in lieu of part or all of the days of any suspension period a payment of not less than twenty-five dollars ($25) per day and not to exceed five hundred dollars ($500) total. The board shall set the amounts of such payments by regulation.

(3) Payments in lieu of suspension collected by the board shall be deposited in the state treasury and credited to the general expenditure fund.

(4) The board may require retesting of any licensee upon proper showing of gross malpractice or incompetence on the part of such licensee.

SECTION 4. A NEW SECTION OF KRS CHAPTER 317A IS CREATED TO READ AS FOLLOWS:

(1) The board shall receive complaints concerning any person licensed under the provisions of KRS Chapter 317A relating to such licensee's business or professional practices. Each complaint received shall be placed in a log, recording the licensee's name, name of complaining party, date of complaint, brief statement of complaint and its ultimate disposition and shall make such log available for public inspection. The board shall investigate all complaints concerning any person licensed under the provisions of KRS Chapter 317A. The board may on its own volition initiate such an investigation and shall promulgate such rules and regulations necessary for the administration of the provisions of this section.

(2) If upon investigation there appears to be a violation of the provisions of KRS Chapter 317A, the board shall take such action as it deems necessary under the provisions of Section 5 of this Act."

Floor Amendment No. 4 to Committee Amendment No. 1 to **HB 288,** by Representative Moberly:

Amend printed copy of Committee Amendment 1 to **HB 288,** page 1, lines 11 and 12, by deleting said lines in their entirety.

Floor Amendment No. 1 to **HB 970,** by Representative Dawahare:

Amend printed copy of **HB 970,** page 1, line 19, by changing 1981-82 to 1980-81.

Floor Amendment No. 3 to **HB 586,** by Representative Holloway:

Amend printed copy of **HB 586,** page 5, following line 14, by adding the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 242 IS HEREBY ENACTED TO READ AS FOLLOWS:

(1) The provisions of this section shall be applicable in any city of the second class notwithstanding any other provisions of this chapter relating to the discontinuance of prohibition in any county, city, or territory which may be to the contrary.

(2) In any city of the second class in which prohibition is in effect in all or a part of the city, the governing body of the city, upon a determination of economic hardship in the manner provided in subsection (11) of this section, shall by ordinance designate one or more of the precincts in the city as a limited sale precinct or precincts.

(3) In any limited sale precinct, an election may be held in the manner prescribed in KRS 242.010 to 242.050 and KRS 242.060 to KRS 242.120 to take the sense of the people of the precinct as to discontinuance of prohibition in the precinct. Such election shall not be deemed to be an election in the "same territory" within the meaning of subsection (5) of KRS 242.030; provided, however, that no election authorized by this section shall be held in the same precinct more often than once in every five years.

(4) The ballot for such election shall conform to the requirements of KRS 242.050 except that the form of the proposition shall be, "Are you in favor of the sale of alcoholic beverages in (official name and designation of precinct)?"

(5) If a majority of the votes cast in any limited sale precinct in which an election is held pursuant to this section vote in favor of the sale of alcoholic beverages in that precinct, the sale of alcoholic beverages therein shall be specifically subject to all the provisions and limitations of subsections (6) and (7) of this section.

(6) Upon the discontinuance of prohibition in any limited sale precinct pursuant to this section, the governing body of the city shall by ordinance create and provide for the office of City Alcoholic Beverage Control Administrator pursuant to the requirement of KRS 241.160 and shall adopt a comprehensive regulatory ordinance covering the licensing and operation of establishments for the sale of alcoholic beverages within a limited sale precinct which shall specifically provide for:

(a) The issuance of three licenses permitting the package sale at retail of alcoholic beverages within the territorial limits of any limited sale precinct.

(b) The issuance of four licenses to sell alcoholic beverages by the drink for consumption on the premises by the general public in any one limited sale precinct. One such license in each limited sale precinct shall be reserved for grant to any newly established hotel, motel, or inn containing not less than 50 sleeping units and having dining facilities for not less than 100 persons. The remaining three licenses shall be granted to a hotel, motel, or inn meeting the aforestated requirements or to bona fide restaurants open to the general public having dining facilities for not less than 100 persons; provided, however, that additional licenses to sell alcoholic beverages by the drink for consumption on the premises shall be granted to social membership clubs established and maintained for the benefit of members only by bona fide fraternal or veterans organizations.

(7) The governing body may also incorporate in the regulatory ordinance such other reasonable rules and regulations as may be necessary or desirable for the proper administration and enforcement of this section and for the maintenance of public order in a limited sale precinct, including the issuance of any licenses permitted by KRS 243.070 except as limited by subsection (6) of this section; provided that any rule or regulation adopted in the regulatory ordinance shall conform to the requirements of KRS 241.190.

(8) Notwithstanding any limitations imposed on the city's taxing or licensing power by KRS 243.070 upon the discontinuance of prohibition in any limited sale precinct, the governing body of the city is hereby authorized to impose a regulatory license fee upon the gross receipts of each establishment located therein and licensed to sell alcoholic beverages. The regulatory license fee may be levied at the beginning of each city budget period at such percentage rate as shall be reasonably estimated to fully reimburse the city for the estimated costs of any additional policing, regulatory, or administrative expenses related to the sale of alcoholic beverages in the city. Such regulatory license fee shall be in addition to any other taxes, fees, or license permitted by law, but a credit against such fee shall be allowed in an amount equal to any licenses or fees imposed by the city pursuant to KRS 243.070.

(9) Subject to the limitation imposed by subsection (3) of this section, no provision contained in this section providing for the establishment of a limited sale precinct shall preclude or abridge the right of the constitutionally qualified voters of such precinct to petition for a subsequent election on same question.

(10) If an election is held pursuant to other provisions of KRS Chapter 242 in the city or the county in which a limited sale precinct is located for the purpose of taking the sense of the voters upon the question of adopting or repealing prohibition for the entire city or the entire county, the status of such question in a limited sale precinct shall be determined in the following manner:

(a) The status of a limited sale precinct shall not be affected by any election for the entire city or the entire county if such limited sale precinct was established less than five (5) years prior to the date of the proposed election for the entire city or the entire county and in such case no ballot shall be furnished to the voters of any limited sale precinct in such election.

(b) If such limited sale precinct was established more than five (5) years prior to the date of the proposed election for the entire city or the entire county, the voters within each limited sale precinct shall be furnished a ballot upon which the question shall be, "Are you in favor of continuing the sale of alcoholic beverages in (official name and designation of precinct) as a limited sale precinct?" No other ballot shall be furnished to the voters of any limited sale precinct.

(c) The ballots of each limited sale precinct shall be counted separately, and, if a majority of the votes cast in the limited sale precinct are in favor of continuing the sale of alcoholic beverages therein as a limited sale precinct, then such status shall continue within such precinct, except that if the city or the county in which the limited sale precinct is located votes against prohibition in the remainder of the city or the county, the limited sale precinct status of any precinct may be terminated by the governing body of the city or the county and thereafter the status of such precinct shall be the same as that in effect for the remainder of the city or the county.

(11) Any precinct located entirely within any city of the second class in which prohibition is in effect in all or a part of the city shall be designated as a limited sale precinct by the governing body of the city; provided that:

(a) The governing body determines to its satisfaction that the general trade, business, and economy of one or more of the precincts within the city is substantially adversely affected by reason of the legal sale of alcoholic beverages in any neighboring or adjoining state, county, city, town, district, or precinct. For the purpose of making such determination, the governing body may hold such hearings, examine such witnesses, or receive such evidence as it believes necessary or desirable for such purpose; or

(b) The governing body receives a petition signed by a number of constitutionally qualified voters of a precinct at the last preceding general election certifying to the governing body of the city that the signers of the petition verily believe that the general trade, business, and economy of the precinct has been and presently is substantially adversely affected by reason of the legal sale of alcoholic beverages in a neighboring or adjoining state, county, city, town, district, or precinct.

The petition may consist of one or more separate units and shall be filed with the mayor of the city. In addition to the name of the voter, the petition shall also state his post office address and the correct date upon which his name is signed.

Upon receipt of the petition, the mayor shall cause the same to be presented to the governing body of the city at its next regularly scheduled meeting and, after verifying that such petition is in compliance with the requirements of this section, the governing body shall forthwith by ordinance designate the precinct to be a limited sale precinct.

Section 4. KRS 242.1293 is hereby repealed."

Floor Amendment No. 4 to **HB 712,** by Representative Deskins:

Amend printed copy of **HB 712,** page 3, after line 14, by adding the words:

Section 2. KRS 304.39-050 is amended to read as follows:

(1) The basic reparation insurance applicable to bodily injury to which this subtitle applies is the security covering the vehicle occupied by the injured person at the time of the accident or, if the injured person is a pedestrian, the security covering the vehicle which struck such pedestrian. If the reparation obligor providing such insurance fails to make payment for loss within thirty (30) days after receipt of reasonable proof of the fact and the amount of loss sustained, the injured person shall be entitled to payment under any contract of basic reparation insurance under which he is a basic reparation insured and the insurer making such payments shall be entitled to full reimbursement from the reparation obligor providing the security covering the vehicle. A pedestrian, as used herein, means any person who is not making "use of a motor vehicle" at the time his injury occurs.

(2) If there is no security covering the vehicle, any contract of basic reparation insurance under which the injured person is a basic reparation insured shall apply.

[(3) No person shall recover basic reparation benefits from more than one reparation obligor as a result of the same accident, except as provided in KRS 304.39-140(4) nor in excess of ten thousand dollars ($10,000) as the result of the same accident.]

Floor Amendment No. 1 to **HB 796,** by Representative Blythe:

Amend printed copy of **HB 796,** page 4, line 12, by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 18 IS CREATED TO READ AS FOLLOWS:

No state employe shall hold a personal service contract with a state agency, department, board, or any other state governmental unit, including state institutions of higher education. Nothing in this section shall apply to a contract executed prior to the effective date of this Act."

Floor Amendment No. 1 to **SB 1,** by Representative Little:

Amend printed copy of **SB 1,** page 3, line 13, after "1," by deleting "1982" and inserting "of the first year registration plates are reissued"

Floor Amendment No. 1 to **SB 18,** by Representative Cawood:

Amend printed copy of **SB 18,** page 7, line 10,

(f) Any contract with a certified public accountant for an audit shall require the accountant to forward a copy of the audit report and management letters to the Auditor of Public Accounts upon request of the city or the Auditor of Public Accounts and the Auditor of Public accounts shall have the right to review the certified public accountant's work papers upon request.

Floor Amendment No. 3 to **SB 26,** by Representative B. Richardson:

Amend printed copy of **SB 26,** page 53, following line 12, by inserting the following new section:

"Section 20. KRS 83.360 is created to read as follows:

In addition to the three percent (3%) transient room tax authorized by KRS 83.350, the city council in cities of the fifth class may levy an additional restaurant tax not to exceed three percent (3%) of the retail sales by all restaurants doing business in the city. All monies collected from the tax authorized by this section shall be turned over to the Tourist and Convention Commission established in that city as provided by KRS 83.340 to 83.350."

Floor Amendment No. 1 to **SB 38,** by Representative Cyrus:

Amend printed copy of **SB 38:**

"SECTION . A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

(1) If all portions of a county are served by a single class "A: telephone company and if at least two thousand (2,000) telephone subscribers in the county are outside the local exchange which serves the county seat, and must pay long distance tolls to contact county officials or services in the county seat, then the public service commission shall require that the telephone company institute county-wide extended area telephone service in that county prior to approving any increase in rates for said company.

(2) This section shall apply to any applications for rate increases pending before the commission at the time of the effective date of this Act, as well as to applications received after that date."

Floor Amendment No. 4 to **SB 140,** by Representative Cawood:

Amend printed copy of **SB 140,** page 1, line 21, by inserting the following after "*1980-81*"

"*, and any child who attended nursery school during the 1979-80 school year and will be five years of age on or before December 31, 1980, shall be eligible for enrollment in a public kindergarten program for the 1980-81 school year*"

Floor Amendment No. 5 to **SB 140,** by Representative Deskins:

Amend printed copy of **SB 140,** page 1, lines 13 and 17, by placing brackets around "September 1" and inserting "*December 31*" in lieu thereof

Floor Amendment No. 6 to **SB 140,** by Representative Deskins:

Amend printed copy of **SB 140,** page 1, lines 13 and 17, by placing brackets around "September 1" and inserting "*October 31*" in lieu thereof

Floor Amendment No. 7 to **SB 140,** by Representative Robinson:

Amend printed copy of **SB 140,** page 2, line 3, by deleting the bracket before "(2)" and inserting a bracket before "The"

On page 2, line 9, by inserting a bracket after "(3)"

On page 2, line 10, by deleting the following "on or before" and inserting the following in lieu thereof "*between September 1 and*"

On page 2, line 11, by deleting the word "petition" and inserting the following in lieu thereof "*request that*"

On page 2, line 17, by inserting the word "*requests*" after the first "such" and deleting all remaining materials on line 17 and 18.

Floor Amendment No. 8 to **SB 140** by Representative Robinson:

Amend printed copy of **SB 140,** page 2, line 3, by deleting the bracket before "(2)" and inserting a bracket before "The"

On page 2, line 9, by inserting a bracket after "(3)"

On page 2, line 10, by deleting the following "on or before "December" and inserting the following in lieu thereof: "*between September 1 and October*"

On page 2, line 11, by deleting the word "petition" and inserting the following in lieu thereof: "*request that*"

On page 2, line 17, by inserting the word "*requests*" after the first "such" and deleting all remaining materials on line 17 and 18.

Floor Amend No. 9 to **SB 140,** by Representative Robinson:

Amend printed copy of **SB 140,** page 2, line 3, by deleting the bracket before "(2)" and inserting the following after "(2)": "*The effective date of this Act shall be July 1, 1982.*"

Floor Amendment No. 2 to **HB 193,** by Representative Pearman:

Amend printed copy of **HB 193,** page 1, line 3, by inserting before the word "Notwithstanding" the following: "*(1)*";

And on line 5, by bracketing the word "the";

And on line 5, by inserting after the word "income" the following" "*, but the maximum annuity exclusion shall be four thousand dollars ($4,000)*";

And on line 5, by inserting an opening bracket in front of "of persons";

And on line 6, by inserting a closing bracket after the word "older";

And on line 6, by inserting before the word "Federal" the following: *(2)*".

Floor Amendment No. 1 to **SB 58,** by Representative Richards:

Amend printed copy of **SB 58,** page 1, line 16, by deleting "fourteen (14)" and inserting in lieu thereof "fifteen (15)"

Page 2, line 6, by deleting "eight (8)" and inserting in lieu thereof "nine (9)"

Page 2, line 6, after "directors." by inserting the following: "*One of the nine (9) private members shall be a realtor licensed by the Kentucky real estate commission.*"

Page 2, line 8, by deleting "eight (8)" and inserting in lieu thereof "nine (9)"

Page 2, line 10, by deleting "eight (8)" and inserting in lieu thereof "nine (9)"

Page 2, line 11, by deleting "two (2)" and inserting in lieu thereof "three (3)"

Floor Amendment No. 2 to **SB 58,** by Representative Dawahare:

Amend printed copy of **SB 58,** page 6, after line 11, by inserting the words:

Section 2. KRS 198A.090 is amended to read as follows:

(1) The corporation is hereby authorized to provide for the issuance, at one time or from time to time, of not exceeding *eight* [seven] hundred million dollars *$800,000,000* [$700,000,000] bonds of the corporation to carry out and effectuate its corporate purposes and powers. In anticipation of the issuance of such bonds the corporation also is hereby authorized to provide for the issuance, at one time or from time to time, of bond anticipation notes. The principal of and the interest on such bonds or notes shall be payable solely from the funds herein provided for such payment. Any such notes may be made payable from the proceeds of bonds or renewal notes or, in the event bond or renewal note proceeds are not available, such notes may be paid from any available revenues or assets of the corporation. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the corporation at such price or prices and under such terms and conditions as may be determined by the corporation. Any such bonds or notes shall bear interest at such rate or rates as may be determined by the corporation. Notes shall mature at such time or times not exceeding ten years from their date or dates and bonds shall mature at such time or times not exceeding forty years from their date or dates, as may be determined by the corporation. The corporation shall determine the form and manner of execution of the bonds or notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the Commonwealth. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The corporation may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered form, or both, as the corporation may determine, and provision may be made for the registration of any coupon bonds or notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and interest, and for the interchange of registered and coupon bonds or notes. Upon the approval of a resolution of the corporation, authorizing the sale of its bonds or notes, such bonds or notes may be sold in such manner, either at public or private sale, and for such price as said corporation shall determine to be for the best interest of the corporation and best effectuate the purposes of this chapter provided that such sale shall be approved by the corporation.

(2) The proceeds of any bonds or notes shall be used solely for the purposes for which issued and shall be disbursed in such manner and under such restrictions if any, as the corporation may provide in the resolution authorizing the issuance of such bonds or notes or in the trust agreement hereinafter mentioned securing the same.

(3) Prior to the preparation of definitive bonds, the corporation may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The corporation may also provide for the replacement of any bonds or notes which shall become mutilated or shall be destroyed or lost.

(4) Bonds or notes may be issued under the provisions of this chapter only upon obtaining the approval of the state property and buildings commission, pursuant to the provisions of KRS Chapter 56.

(5) The executive department for finance and administration shall provide to the corporation such fiscal consultant services regarding revenue bond management as may be necessary.

SECTION 3. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created and established a special revolving loan fund to be administered by the corporation as a trust fund separate and distinct from any other moneys or funds administered by the corporation.

(2) The fund shall be comprised of the proceeds from one hundred million dollars ($100,000,000) revenue bonds issued by the corporation at one (1) time or from time to time, and of the repayment of loans made from the fund. The operation of revenue bond financing under this section shall be in accordance with KRS 198A.090.

(3) The purpose of this fund shall be to provide a source from which the corporation shall make loans for single-family residential housing for residents of counties under the jurisdiction of the Appalachian Regional Commission. Coal miners shall be eligible for loans through the fund regardless of income.

Floor Amendment No. 10 to **SB 140,** by Representative Worthington:

Amend printed copy of **SB 140,** page 2, line 3, by removing the barcket before "(2)"

Page 2, line 4, by deleting the word "December" and inserting the word "October" in lieu thereof

Page 2, lines 5 and 6, by deleting "state board for elementary and secondary education" and inserting "*district superintendent*" in lieu thereof

Page 2, line 10, by deleting the word "December" and inserting "*October*" in lieu thereof

Page 2, lines 11 and 12, by deleting "state board for elementary and secondary education" and inserting "*district superintendent*" in lieu thereof

Page 2, line 15, by placing a bracket before "The" and inserting the following after "(4)": "*If the parent or legal guardian of a child under subsection 2 or 3 believes the child is ready to begin kindergarten or first grade and request entrance, the superintendent must allow that child to enter.*"

Floor Amendment No. 1 to **SB 163,** by Representatives Clapp and Curd:

Amend printed copy of **SB 163,** page 30, by inserting the following between lines 20 and 21:

"Section 19. KRS 45A.100 is amended to read as follows:
(1) Procurements, not to exceed an aggregate amount of five thousand dollars ($5,000) for construction and one thousand dollars ($1,000) for all other purchases *by state governmental bodies other than institutions of higher education* may be made in accordance with small purchase regulations promulgated by the secretary of the executive department for finance and administration. *Procurements not to exceed an aggregate amount of five thousand dollars ($5,000) for construction and purchases by state institutions of higher education may be made in accordance with small purchase regulations promulgated by the secretary of finance.*

(2) Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section. At least every three (3) years, the secretary shall review the prevailing costs of labor and materials and may make recommendations to the next regular session of the general assembly for the revision of the then current maximum small purchase amount as justified by intervening changes in the cost of labor and materials."

And on page 30, line 21, by changing "19" to "20";

And on page 30, line 22, by changing "20" to "21".

Representative B. Richardson moved that no other business other than Report of Committees be conducted on this day. Agreed.

Representative B. Richardson moved that when the House adjourns, it do so until 2 p.m. on March 19, 1980. Agreed.

Representative B. Richardson moved that when the House adjourns, it do so by voice vote. Agreed.

The following meetings were announced:

Judiciary: Special meeting, on adjournment today, Room 211.

Judiciary: Special meeting, Wednesday, on adjournment, Room 211.

Counties and Special Districts: Wednesday, Room 316.

Appropriations and Revenue: Tonight, 8 p.m., Room A; Wednesday, 9 a.m., Room A.

Natural Resources and Environment: Special meeting, fifteen minutes after adjournment, Room 9.

Recess

Representative B. Richardson moved that the House recess for fifteen minutes. Agreed.

At the appointed hour, the Speaker Pro Tempore resumed the Chair and called the House to order.

Reference of Bills and Resolutions (continued)

The Clerk announced the Committee on Committees has referred **HJR 121** to the Committee on State Government.

Report of Committees (continued)

The Committee on Rules reported **HB 427, HB 457, HB 532, HB 574, HB 583, HB 732, HB 791, HB 815, HB 858, HB 875, HB 877, HB 881, HB 901, HB 913, HCR 81, HCR 88, SB 1, SB 26, SB 134, SB 191,** and **SCR 43** have been posted for passage in Orders of the Day, March 19, 1980.

The Committee on Rules reported the following Bills have been recommitted: **HB 530, HB 139, HB 804, HB 74, HB 931, HB 968, HB 970,** and **HB 973** to the Committee on Appropriations and Revenue: **HB 711** to the Committee on Counties and Special Districts.

Adjournment

Representative Wilborn moved that the House adjourn until 2 p.m., Wednesday, March 19, 1980.

The motion to adjourn was adopted by voice vote.